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SUBSCRIPTION RATES—DOMESTIC: One Year $5; Two Years $8; Three Years $11. CANADIAN: 50 cents a year additional. FOREIGN: $1 a year additional. THREE WEEKS' NOTICE AND THE OLD ADDRESS AS WELL AS THE NEW ARE REQUIRED FOR CHANGE OF SUBSCRIBER'S ADDRESS.

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THAT INTREPID EXPLORER, Senator Black, after cutting his way through an undergrowth of propaganda and the repeated attacks of hostile representatives of the power trust, has finally gained access to the fabulous kingdom of H. C. Hopson and his fellow utility magnates. Its furthest recesses remain to be explored, but enough has already been disclosed to show that the empire of the rolypoly potentate extends into the secretarial offices of the White House itself, that the watchdog at its gates is none other than John O'Connor, a member of the House of Representatives, and that its loyal army of defenders, for large fees, is already well known to the American public in the guise of prominent and respectable lawyers ranging from Patrick J. Hurley, former Secretary of War, to Basil O'Connor, the brother of John and former law partner of the President he now opposes. In the face of exposure some of the lesser figures in this hitherto invisible empire, such as Philip Gadsden of the Committee of Public Utility Executives, are running to cover, denouncing Hopson as they run. Hopson, to be sure, is a super-exploiter who feeds not only on the consumer but on other exploiters in the field. It is true, also, that the holding company is as often as not hated by the smaller companies from which it draws tribute. But Mr. Gadsden's self-righteous disavowal of Hopson and his methods should not be allowed to obscure the issue. The power trust has stopped and will stop at nothing to maintain its hold over one of the key resources of our industrial set-up. On the basis of the revelations so far published (by a not too willing press) Mr. Roosevelt is provided with the one issue most likely to clear his path to a second term.

WILL ROGERS AND WILEY POST were both small-town Americans who made good, each in his own very American way. Post was the poor boy with a single-minded passion for mechanics who by hard work and amazing persistence became one of the world's great aviators. Will Rogers was the genial Yankee, confused and humorous, who was claimed as friend by more men than any contemporary figure perhaps because of his very lack of strong or clear convictions or any single-minded purpose. His wit was a solvent and not a weapon; it offended none of its victims—except perhaps that other Yankee Calvin Coolidge, who was as indigenous and as limited as Rogers himself. His comments on public affairs were almost always amusing; they became increasingly reactionary and chauvinistic; they remained always the unpredictable and irresponsible "cracks" of a professional amateur. To call him a philosopher, as thousands have done since his death, is to credit him with order and vision, the two qualities which he most conspicuously lacked and most often spurned—his favorite boast that all he knew was what he read in the newspapers was not merely a quip. A writer in the *Times* remarks that "voting for Will Rogers became a habit with people; it was one of the best ways to file a protest without going Socialist." Laughing with Will Rogers served the same purpose. It is not surprising that he made a large fortune letting off steam for the American people, or that Wiley Post, though he learned how to circle the world in eight days, accumulated little of its goods.

DOES FRANCES PERKINS accept the responsibility which is legally hers for the policy of deportation now actively prosecuted in this country? Does she willingly stand for the use of the weapon of exile against militant union members and political radicals? At this moment there lies before us a long list of threatened deportations of men against whom nothing which justifies such action is even charged. We do not for a second suppose that Frances Perkins instigated these particular proceedings. Perhaps she does not know about them. But all of them must have been instituted in pursuance of a policy, and for that policy, whether she likes it or not, the Secretary of Labor is directly responsible. For her information, then, as well as for that of the public, we cite a few of these cases and demand that Secretary Perkins look into them immediately and act to remedy the human and legal wrongs she will discover when she looks. There is the case of John Ujich, a resident of the United States for thirty years, who has been ordered to surrender to Ellis Island on August 23 for deportation to Italy the next day. A bitter opponent of Mussolini and a Yugoslav by birth, Ujich's deportation will be equivalent to

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a sentence of death. He was arrested in Tacoma, Washington, for activities in behalf of the unemployed. Dan Agalos, a railroad worker who has lived in this country for twenty-five years, is an active union member and was arrested as an "agitator" and held for deportation following a speech which he made to railroad workers. Gust Saderquist is another union man from Portland, Maine. He was charged with advocating the violent overthrow of the government, but no evidence was brought forward at his trial to prove the charge. If he is deported it will be because he is a militant supporter of the rights of the unemployed and a Communist. These three cases are typical of many more. Is our immigration law to be used as a sly device for keeping out or throwing out radical political opinion? Is this the policy of the Administration as interpreted by the Department of Labor? Prompt action in the pending cases will be the most convincing denial that Secretary Perkins can offer.

THE SILVER BLOC is indignant over the recent decline in the price of silver. Despite the fact that the Treasury recently purchased more silver in a single day than was produced in the United States in the whole of last year, the Administration is charged with sabotaging the silver-purchase act by failing to run the price to $1.29 an ounce. In listing the dire effects of neglecting to push the silver program more actively, Senator Elmer Thomas, leader of the Senate inflationists, pointed out that a decline in value of silver at the present time will cause the United States to lose the huge sums expended in buying the metal at higher prices. This sudden solicitude for the government exchequer is indeed touching in the do-something-for-silver group. After having forced the government to throw away hundreds of millions of the taxpayers' money in the interest of a handful of speculators and stockholders, the silver bloc is complaining because the United States has not spent enough to rig the market. It is true that if the entire resources of the government were utilized to purchase surplus supplies of peanuts, rubber heels, typewriters, or silver, the price of those commodities might be run up indefinitely, to the profit of the producers of them. But there is no conceivable reason why silver should continue to receive the lion's share of governmental favor. Why not try buying up surplus stocks of labor at better than market wages? The producers of labor power also have votes.

CHIANG KAI-SHEK'S HOLD on China appears to be materially weaker as a result of Wang Ching-wei's resignation as president of the Executive Yuan. Officially Wang's retirement as the active head of the government was ascribed to failing health, but illness is frequently an attribute of statesmanship in China. It is significant that two other Cabinet officers closely associated with Wang's left wing of the Nationalist Party—Ku Meng-yu, Minister of Railways, and Chen Kung-po, Minister of Industry, resigned with him. That dissatisfaction with Chiang Kai-shek's open pro-Japanese policies has been growing in China can no longer be concealed. The withdrawal of the left wing from active responsibility in the government is probably an intimation that they, at least, foresee the doom of the present regime. Another straw which indicates the direction of the wind is the recently announced decision of the Chinese Communists to cooperate with any group which will actively oppose Japanese domination. If the Cantonese and the former Nineteenth Route Army group join the Communists and the Wang faction in open opposition to Chiang, there will be no outstanding political figure, outside of Chiang's immediate family, whom he can draw in to give "face" to the government. As a result he will either have to resign or—as is more likely—try to establish a personal dictatorship based on Japanese arms. In either event the end of Chiang's long reign is probably in sight.

JAPAN also is faced with far-reaching political changes as the result of the murder of General Tetsuzan Nagata, Director of Military Affairs and chief aide of War Minister Hayashi. General Nagata incurred the enmity of an influential section of the military clique because of the assistance he gave to Hayashi in eliminating certain extremists from high posts in the army. In planning his assassination Colonel Aizawa, one of the leaders of the fascist element, doubtless recalled the wave of anti-government feeling which followed the attacks on unpopular government officials several years ago. But if he expected a similar response to his crime he seriously misjudged Japanese psychology, for Nagata's murder brought an immediate reaction against the jingoist groups and in favor of the more moderate policies of Hayashi. The reaction may be temporary, but there is reason to hope that it marks the beginning of the decline of fascism in Japan. The military faction appears to have been seriously weakened by lack of leadership and internal dissension, while the civilian elements, discreetly silent as long as the nation was gripped by a patriotic frenzy, are beginning to reassert themselves. Barring a new adventure in Mongolia or Siberia, Japan may yet return to its senses.

WITH STREICHER arousing 100,000 "Aryans" in Berlin to a frenzy against the Jews, and Schacht denouncing irresponsible anti-Semitism in Königsberg, the German political scene in the third year of the *Führer* presents all of the confusion that is popularly supposed to exist only in a democracy. Ostensibly all opposition agencies have been either liquidated or "coordinated"—the recent steps against the Steel Helmets and Freemasons eliminating the last of the old non-Nazi organizations. Actually, however, organized opposition has never been more open and widespread. As we go to press, Catholic leaders are assembling in Berlin to "define" their attitude toward the Third Reich; farmers have balked at paying increased taxes; open Communist activity is reported in many industrial centers. The growing political unrest is but a reflection of heightened economic uncertainties threatening, according to Schacht, national bankruptcy. Prices continue to rise, while wages tend downward. Streicher's new drive against the Jews and Freemasons may serve to divert existing popular dissatisfaction, but it cannot give the Reich needed raw materials and credits; nor can Schacht with his more orthodox program as long as he is checkmated on every side by extreme measures of the Nazi fanatics. A dictatorship is of little value when the dictator cannot decide on basic matters of policy.

THE DUFFY COPYRIGHT BILL, which has passed the Senate after having been fought over for two years, contains many provisions which will please authors and reputable publishers, though some of the amendments which have been incorporated are in violation of the best principles

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of copyright legislation. The bill would extend the present copyright run of twenty-eight years (plus an optional twenty-eight-year renewal) to fifty-six years, it would prevent the copyrighting of photographs without the consent of the individuals, and it would give greater flexibility in the matter of damages where a copyright has been violated. All of these features are obviously good, but they are counterbalanced by Senator Trammell's amendment striking out the provision which would permit foreign authors to copyright their works in this country without having them printed here. The requirement of an American imprint has done grave injustice to European writers, especially those whose works sell in small quantities. Reputable American publishers, when they buy foreign sheets, ignore the printing requirement of the present law and arrange for royalties to foreign authors, but less scrupulous houses take advantage of the law to pirate foreign books. We hope that when the Duffy bill reaches the House this defect will be remedied.

WE REPRODUCE here a telegram, guaranteed to be genuine, which reveals the high mental plane on which a great publisher operates. It will interest the growing body of non-readers of the Hearst press. It should also prove enlightening to the rugged individuals in San Diego and Kalamazoo, to whom the typical Hearst red-baiting editorial is addressed, to learn that their daily journalistic bread is baked, sliced, and poisoned in a central office in New York.

US31 NEW YORK, AUG. 7, 1935
TO UNIVERSAL SERVICE BUREAUS
AND ALL HEARST EDITORS:
THE CHIEF INSTRUCTS THAT THE PHRASE SOAK THE SUCCESSFUL BE USED IN ALL REFERENCES TO THE ADMINISTRATION'S TAX PROGRAM INSTEAD OF THE PHRASE SOAK THE THRIFTY HITHERTO USED STOP ALSO HE WANTS THE WORDS RAW DEAL USED INSTEAD OF NEW DEAL.
E. D. COBLENTZ

THE POLICE "CLEAN-UP" of the New York City parks has elicited considerable commendation from various sources, but it seems to us that a clean-up of the police themselves would be more in order. In line with what seems to be the traditional policy of the police everywhere, the New York constabulary appear to think that their uniforms entitle them to beat up citizens on the slightest provocation. Their indiscriminate slugging came in for considerable and wholly justified censure in the second report of Mayor LaGuardia's committee investigating the Harlem riot early this year. And only the other day they again showed their high-handedness by severely beating up a reporter of the New York *Post* for the "crime" of driving in the wrong direction on a one-way street in Brooklyn. The *Post* naturally played up the story, but there must be scores of such cases every week that do not get into the papers. A police force that acts like a bunch of gangsters is in need of a first-class purge of the kind that the first Roosevelt administered when he was police commissioner of New York City. Commissioner Valentine proposes to make the force more efficient by retiring all men over sixty. It would be more to the point if he took steps to instil some respect for the law in the minds of police officers, old and young, charged with enforcing it.

Rome Defies the Powers

FACED with complete intransigence on the part of Italy, old-fashioned diplomacy has proved no more successful than the League in finding a solution for the Italo-Ethiopian controversy. The Paris conference merely revealed what has been suspected for many months: as far as Mussolini is concerned, Italy is determined to fight. Baron Aloisi's inadvertent reference to the "front" was an accurate reflection of Il Duce's state of mind. Ethiopia, though not represented at the discussions, let it be known that it was prepared to grant substantial mineral and commercial concessions to Italy in the hope of averting war. It even intimated that it would be willing to extend extra-territorial rights to European colonists engaged in developing backward sections of the country, and to permit Italy to undertake railway and highway construction under most favorable terms. But Mussolini is not interested in concessions of this type. Ethiopia is fairly rich in undeveloped resources, but Italy is in no position to take advantage of the opportunities offered. A poor country, it would find difficulty in raising sufficient capital for the exploitation of Ethiopia's resources even if it were permitted to do so, while few Italians could be induced to take up residence under the African sun for the sake of dubious rewards that could come only after years of intensive labor. The failure of Italy to colonize and develop the resources of its present possessions is adequate proof of its lack of interest in mere economic opportunities.

In demanding annexation of the Ethiopian lowlands and a protectorate over the higher sections, Mussolini has made it clear that Italy is motivated primarily not by the prospect of great wealth but by considerations of national prestige. There is abundant evidence that the economic and political situation in Italy is far from satisfactory, and it is doubtless felt that a successful war is the one way out. This explains not only why Rome has shown so little interest in the Paris conference but also why war preparations have been stepped up in the face of Ethiopia's conciliatory attitude. It does not mean, however, that war is necessarily inevitable. Despite the fiasco at Paris three possibilities of averting hostilities remain. First and most likely, though highly unsatisfactory from the standpoint of international equity, is the possibility that Ethiopia may make territorial concessions of a sufficiently drastic character to satisfy the demands of Italian prestige. Or, to put it a bit more realistically, the powers may decide to sacrifice Ethiopian independence in order to prevent a most embarrassing war. Second, it is not inconceivable that strong diplomatic pressure exerted by Great Britain and France might yet force Mussolini to scale down his demands. Despite his apparently unyielding stand, Mussolini has shown that he is not wholly impervious to external pressure. Throughout the years his foreign policy has been characterized by bluster, but he has been extremely circumspect in action. A sudden shift in European alignments would almost certainly postpone or avert war.

Finally, there is the possibility that the international peace machinery may be brought into operation against Italy. Although the chance that the League of Nations will take

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vigorous action appears remote, hostilities could be prevented even at this late date if the moral and economic sanctions of that agency could be brought into play. Much depends on the attitude of Great Britain. Should England—after formal action by the League—take steps to close the Suez Canal to Italian troops and supplies, no war would be possible. Next to France and Great Britain, the United States is perhaps in the most strategic position to exercise pressure through established international agencies. As in the Manchurian controversy, the League is unlikely to act unless it is assured of our whole-hearted support. As sponsor of the Kellogg pact, to which both Italy and Ethiopia are signatories, we have a responsibility which cannot be dodged without rendering that document a scrap of paper. For if the world stands idly by and allows Mussolini a free hand in Africa, no power on earth can stop Hitler from following his example in Europe a few years hence. On the other hand, if the League by an eleventh-hour action, with or without the active aid of the United States, could stop a conflict for which preparations have been under way for more than a year, the danger of a war in Europe would be reduced almost to the vanishing-point.

Must We Fight in the Next War?

BARRING a sudden burst of energy in Washington, the outbreak of the Italo-Ethiopian conflict is likely to find the United States as unprepared as in 1914 to resist the forces drawing it into the inferno. The recent publication of Secretary Lansing's letter revealing one of the steps by which we became unwittingly entangled in the World War merely reinforces the fear that a new chain of events is in the process of being forged from which there will be no escape. No one in this country desired war in 1914. Yet once hostilities started, the temptation to enrichment by the sale of munitions and needed raw materials was irresistible. This necessitated credits, and when credits no longer sufficed, it became essential to advance loans or face the consequences of a severe industrial crisis. Finally, in 1917, as Ambassador Page's cablegram to Wilson so clearly shows, there came the choice between entering the war and losing the billions that the Allies owed American banking firms—a loss which would have led almost certainly to complete economic prostration. Given a society based on profit-making, war was the inevitable choice. From a political standpoint the attempt to maintain neutrality proved equally hopeless. Germany insisted that by shipping to the Allies and not to the Central Powers we were violating the spirit of our neutrality; yet to have cut off all shipments to the Allies would likewise have been construed as a hostile act. The result was that both sides constantly violated our "rights," leaving war against both as the sole means of preserving a strict neutrality between them.

Spurred by the threat of a new conflict in Europe, discussions have been under way in Washington for some months in an effort to find a means of averting a repetition of this insane chain of events. As early as last December President Roosevelt intimated that a fundamental change in the traditional concept of neutrality was under consideration. Nothing further developed, however, until April, when Senators Clark and Nye of the Munitions Investigating Committee introduced a series of resolutions in Congress providing for a mandatory embargo on arms, loans, and credits during war time. Similar bills were submitted in the House by Representatives Maverick and Kloeb. Early in July two of the Clark-Nye resolutions were favorably reported by the Senate Foreign Relations Committee, only to be hastily withdrawn at the urgent request of the State Department. After some haggling a subcommittee was appointed to confer with Secretary Hull's department with a view to drawing up a program which would meet its objections. Meanwhile the House Foreign Affairs Committee has introduced a bill embodying the somewhat milder proposals of the State Department.

Although differing in detail, the Maverick and the Clark-Nye resolutions are practically identical in principle. In the belief that the prevailing policy of drift can only lead to war, they propose mandatory legislation, to be adopted immediately, which would abridge our traditional neutral rights by (1) prohibiting the shipment of arms and ammunition to all belligerents in time of war; (2) outlawing all loans and credits; (3) restricting trade in goods and raw materials which may be declared contraband; and (4) limiting travel by American citizens in war zones. The Clark-Nye bill would go a step farther and permit the President to declare embargoes on munitions and loans in case war threatened to break out in any part of the world which might involve "the United States in international complications." The McReynolds bill, following the recommendations of the State Department, says nothing about credits and would make the application of the other restrictions optional with the President.

All these resolutions bear the earmarks of a close study of the factors which led us into the World War, but the earlier ones exhibit a certain naivete in assuming that neutrality and isolationism are synonymous. More frequently than not an embargo applied against both parties tends to be a violation of true neutrality. In the Bolivian-Paraguayan conflict, for example, the arms embargo proved chiefly embarrassing to Bolivia, and thus virtually gave aid to Paraguay, the aggressor. Similarly, the refusal of many European countries to ship arms to Italy and Ethiopia has played directly into Mussolini's hands. An arms embargo by itself may be of little value, moreover, as long as raw materials and other supplies continue to be shipped. And it is highly doubtful whether any measure which so seriously curtails profits can be enforced under the capitalist system. Even under more primitive conditions the combined opposition of Southern planters and New England merchants forced President Jefferson to abandon the Embargo Act of 1807, similar in principle to the present proposals. An effective embargo against a number of major powers would not only endanger potential profits but cause us to lose a substantial share of our present trade with those countries.

It is thus an open question whether the abandonment of our insistence on traditional neutral rights would keep us out of war or produce a reaction which would force us into the conflict. A fully realistic view of the forces which dominate present-day society compels us to admit that the hope of remaining out of a major war once it has started

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is comparatively slight. In the interdependent world today our greatest hope lies in averting war, not in avoiding participation. This implies a willingness, hitherto absent, to accept our responsibility in creating and maintaining a world system of collective security. Acceptance of our responsibility under this system implies in turn a readiness to enforce economic and financial sanctions against aggressors.

This does not mean, however, that a fundamental revision in the traditional conception of neutrality is not imperative. If the mechanism of collective security breaks down, as seems almost certain in the Italo-Ethiopian controversy, it is still essential that we make an effort to keep out of the conflict. If we are to achieve this, there is no way open save something closely approaching the Clark-Nye formula. Most of the objections which have been offered to this proposal would be eliminated if the President were given discretion to impose the foregoing restrictions on one or both of the belligerents, as is provided in the McReynolds bill. But whatever action is taken must be taken speedily. Delay until the next session of Congress will in all probability be fatal. Once war is under way, and the opportunity for profits is apparent over the horizon, talk of peace will be largely idle chatter.

"They Won't Work"

LOOSE talk about the refusal of persons on relief to take jobs in private industry is growing rather than diminishing in volume. "They'd rather live on relief" has become a theme song among reactionaries, who find in it an argument perfectly suited to their purposes. A correspondent in California writes to tell us of an anonymous feature story which appeared in the Los Angeles *Times* of August 4 entitled I Found Independence on the Dole. It purports to be a true story written by a woman who with her husband has been living on relief for several years. The author of the article boasts of numerous pleasure trips and other luxuries. "You see, during the past three or four years I've averaged $12 a week on my sewing and that's all for extras. I do not keep the cash in the house but send it by post-office money order to a friend back East who banks it for us." Once in a while, she says, she feels rather sorry for the woman who holds the mortgage on their property. "I try to be fair with her though. Last winter when she was ill and without funds I gave her $5." The *Times* calls the article to the attention of the "small home-owner who is struggling to keep off the charity rolls," a category which probably includes a majority of the *Times* readers. "The *Times*," concludes our correspondent, "unlike the Hearst papers, is well edited and usually ably written. It dominates the breakfast tables in Southern California. Is it any wonder that the lunatic fringe in Los Angeles is probably a little wider than anywhere else in the United States?"

The viciousness of such propaganda is apparent. This particular story bears all the earmarks of having been manufactured. Yet the person of small means is in no mood to disbelieve it. It provides him with a scapegoat—the unemployed—on whom to blame his increasing misery. And it is easier to attack the poor devil clinging to the next lower rung of the ladder than to understand and combat the forces which are pushing both of them slowly downward.

Two weeks ago we adduced evidence to show the falseness of the charge that "they would rather live on relief." Since then Harry L. Hopkins, Federal Emergency Relief Administrator, has made public a study of alleged job refusals among relief clients in Washington which shows that out of 220 cases studied only 4 were found that could with justice be attributed to unwillingness to work. We have also received a copy of a bulletin issued in June by the FERA which contains the results of a similar investigation in Baltimore, Maryland, of 195 cases of alleged refusals. Here, too, the number of actual refusals was 4, while in a study made in Memphis, Tennessee, in 39 cases only one genuine refusal was found. Since the newspaper publicity given to these government findings has been conspicuous for its absence, we print below in much-abbreviated form the results of the investigation in Baltimore. They are more or less duplicated in the other two studies.

1. The many broad generalizations about "job refusals" have been based upon a few sporadic incidents and much loose talk.

2. Of the 195 cases against which the accusation of "job refusal" was leveled in March and April, only 4 were clear cases of unjustified refusal.

3. Of the total cases, 31 involved domestic servants among whom "unemployability" by reason of family composition was found to be acute. This group was also peculiarly subject to wage scales below the minimum-subsistence levels established by the relief administration.

4. Of the 164 cases involving other occupations, 65 were found to be persons who had never been on the relief rolls; 65 were either at work or were permanently or temporarily unemployable; 15 did not receive the call or did not get the job; 10 refused for extenuatory reasons; and in 5 cases the records were confused but pointed toward the guiltlessness of the client.

5. On the whole, the notion that "forcible measures should be introduced into the relief program to get able-bodied persons to work" is a gross extravagance.

What were the "extenuatory reasons" in the ten cases cited in Finding number 4?

A mother with four small children failed to accept a job because there was a contagious disease in the employer's home. Two persons failed to accept temporary jobs because of serious illness in their own homes. A daughter, thirty years of age, could not leave her seventy-five-year-old blind mother in order to accept work. One mother refused to accept a job and leave her two children nine and ten years of age. (In this case, further relief was withheld because she had a sister, not on relief, who might have been able to care for the children.) One worker said he had asked for and was refused transportation for an out-of-town job. (His case was "closed" and further relief denied while the case was investigated.) Having had all his tools stolen, a carpenter was obliged to remain on a work-relief job, although he had been offered private employment. Another worker failed to leave a work-relief job and accept private employment because he did not understand that his work-relief job was "relief." (Relief was cut off in this case.) In one case a job was refused because a strike was on in the plant. One worker, whose trade wage was $1.10 per hour, refused to work for 65 cents an hour at the trade. (His relief has been cut off while the case is investigated.)

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The bulletin devotes a special section to the situation of the 31 domestic servants included in the survey. Their reasons for refusing jobs were:

Unable to provide transportation for out-of-town jobs	2
Failed to secure jobs for which they reported	2
Unable to leave home for out-of-town job	1
Needed at home to care for sickness	3
Unable to accept "live-in" jobs on account of family responsibility	5
Unable to leave small children (three were unmarried mothers)	8
Accepted job, leaving after first day because not as represented	1
Had part-time job paying more than the job offered	1
Refused jobs primarily because of low wages	8

It will be noted that 8 of the 31 refused jobs primarily because of low wages. Since this is the unforgivable sin for those who earn their living by exposing the unemployed let us examine some of these cases. A two-day odd job at $1.20 a day was refused because it was overloaded with washing. (The usual wage for such work is $1.50 to $2 a day.) A widow with a ten-year-old daughter refused a job the net wage of which would have been $2.60 a week; a seventeen-year-old girl who recently had an operation for appendicitis, who has a serious hernia, and who is an incipient tubercular, refused a job requiring that she do the housework, the washing and ironing, and care for two children at $5 a week; the mother of three small children refused a part-time night job (estimated to require thirty-five hours) paying $2.50 a week; an unmarried mother refused a full-time job netting $4.60 a week because it would be insufficient to support her and her four-year-old son; a widow, the mother of three small children, refused a job paying $5.60 a week, on the ground that this wage would not permit her to provide for care for her children during working hours; a recently deserted mother of four small children would not accept a temporary job at $1 a day.

We cannot better the conclusion of the government bulletin itself: "Until reasonable and just standards are established and maintained, merely to affirm that 'some of them find more security in relief than in work' is to beg the main question."

Helmut von Gerlach

WHEN Helmut von Gerlach, writer, statesman, and refugee from Nazi Germany, died suddenly in Paris on August 2, the world lost one of the most interesting personalities in pre-Hitler public life. The Gerlachs were of ancient Brandenburg nobility, close to the Hohenzollern court. From time immemorial they had been ministers, generals, statesmen, and clergymen. His milieu predestined Helmut von Gerlach for a successful political career. But early in life he threw family and tradition to the winds, unable to reconcile the ideals of a Prussian aristocrat with his own political conscience. As a young state official he was located in the remote country district in which lay the estates of the Bismarck family. His nature rebelled against the suppression of a peasantry still living under semi-feudal laws. These early years awakened in him the deep sense of social responsibility which gave direction to his whole later life.

At that time—in the early eighties—Europe was struggling under the weight of a severe economic and political crisis. In France the adventurer General Boulanger was making his historic attempt to establish a military dictatorship. In Germany Hofprediger Stöcker, a gifted demagogue, had founded the Christian Social movement. Offering a mixture of pietism, reaction, anti-Semitism, and a sort of charity-socialism, Stöker collected a petty-bourgeois, feudal following. Its ostensible purpose was the erection of barriers to the growing power of the new capitalist bourgeoisie. In practice it became the chief opponent of the Social Democracy. In retrospect Stöcker's doctrine presents itself to the student of German history as a forerunner of National Socialism. The young Gerlach was caught up in a movement which seemed to him an expression of rebellion against existing evils. How could he know that half a century later he would have to flee from Germany to escape the vengeance of the fully matured successor of this anti-Semitic "socialism"? In 1896 he followed the famous Pfarrer Naumann out of Stöcker's party into the National Social Party, which stood for an imperial state combining progressive social ideas with an intense imperialism in foreign affairs, and for a highly developed capitalism with better conditions for labor. Soon after his election to the Reichstag in 1903 as the only representative of this paradoxical movement, Gerlach came to realize that imperialism is the father of political and social reaction. The Morocco crisis and the narrow escape from war with France turned him against the imperial house. Gerlach became a pacifist.

It was as a leader of the pacifist movement that von Gerlach earned the admiration and respect of the present generation. He was one of the few in the Reich who stuck to their pacifist convictions when Germany went to war in 1914. After the German revolution he belonged to the very small group of bourgeois democrats who remained true to their cause. He was severely critical of the complaisance of the Social Democracy toward the increasing militarism of the new regime and the growth of the fascist movement. He was one of the few who favored friendship with France. Only the weak and compromising policy of the Social Democracy prevented him from joining the Socialist movement. The Communist philosophy offended his ingrained faith in democracy and his highly developed individualism.

German reactionaries hated men like Gerlach and Ossietsky the more because they regarded them as traitors to the class from which they had sprung and for that reason more dangerous than the average radical. As editor of the *Welt am Montag* before and during the war, Gerlach was feared and respected by the ruling groups. As regular contributor and, after Carl von Ossietsky's arrest by the Gestapo, as editor of the *Weltbühne* in Berlin, he was a powerful influence against war and fascism and for international understanding. Shortly after the advent of Hitler he was warned that he must leave Germany at once or share the fate of his unfortunate colleague.

We may or may not agree with Gerlach's point of view. But in times of great crisis the example of one true and courageous fighter holds out hope to millions who would otherwise despair.

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Issues and Men

Russia Aids the Jews

NO nation has done more to aid the Jew in this crisis of the race's history than the wicked and godless Soviets. France, it is true, has been marvelous in its friendship and hospitality and has received from Germany about 25,000 émigrés, both Jews and Gentiles. England, too, has lived up to its historic reputation of according asylum to the victims of political and racial persecution. According to the official figures of James G. MacDonald, League of Nations High Commissioner for German Refugees, Palestine has so far absorbed 27,000, the United States 6,000, and South America 3,000 victims of Hitlerism. It has remained for Russia, however, to set aside an entire area of not less than 18,000,000 acres, Biro-Bidjan, as a "Jewish autonomous region," with the promise that as soon as the number of Jews there reaches 25,000, Biro-Bidjan will be proclaimed a Jewish republic and admitted to the Soviet Union.

I am well aware that this most generous and high-minded—truly Christian!—action will be seized upon by Hitler and other reactionaries as further proof of their false charge that the Soviet government was founded by Jews and is still ruled by them. Others will say that this gesture is not pure humanitarianism but a clever device to strengthen the Soviets by building another bulwark against the Japanese —Biro-Bidjan is now part of the "Far East Territory" of Russia on the Manchurian border—and generally to serve the cause of communism by adding to the wealth and strength of the Soviet Union. It is quite possible that these motives may have influenced the Soviet government, but when one recalls the historic anti-Jewish attitude of the Russians, the rising tide of anti-Semitism in Poland, Rumania, and Hungary today, and the denunciation of Soviet Russia as a Jewish-run state, one must surely give credit to the leaders of the Soviets for having offered hospitality on such a large scale. Their action is all the more remarkable because there are four other places in Russia where "Jewish regions" have been set aside, with a total Jewish population now of some 83,000 persons. The least that can be said of all this is that the Soviet government is living up to its policy of complete respect for its national minorities.

The significance of this promise of a future Jewish republic can best be understood if one realizes the limitations of Palestine and faces the renewed German attacks upon the Jews. There is obviously a most determined effort to drive the German Jews out, or to shut them up like lepers as too unclean to participate in any communal activity, to enter a hotel, a cafe, a theater, a concert, or a health resort, or to enjoy a bathing beach. This is a challenge to the whole world, for Hitler and his vicious aides care not one whit what happens to the victims of their cruelty. They are willing that the remaining Jews or half Jews in Germany, who total between 800,000 and 900,000 (there were only 562,000 pure-blooded Jews in Germany in 1932), shall flee over the border, after being robbed of their property and money, and become a burden upon the rest of the world. They have not the slightest regard for the vast task thus put upon other nations, no realization that this gives foreign nations the right to take a very active part in Germany's internal affairs, despite the German Ambassador's latest statement to the contrary. According to Mr. MacDonald it has been a desperate struggle to place the 80,000 refugees, of whom from 15 to 20 per cent are non-Jews who have left Germany for reasons of conscience or political beliefs. He reports a grave situation among the thousands of refugees in Paris, Prague, Amsterdam, and elsewhere. The Christian church bodies, with the exception of the ever-generous, ever-noble-spirited Quakers, have failed to contribute to the relief of this desperate human need. What will happen if the 80,000 refugees are swollen to 400,000?

While the Soviets have not fixed the maximum number of Jews they will take in Biro-Bidjan, it is understood that they are ready to accept immediately more than 4,000, provided that those chosen are suitable persons for their new environment and that they are equipped with the tools of their trades—when they have trades. The government will give to a settler his passage to his new home and bestow upon him land and a house, but insists that the immigrant must have health, strength, training, and equipment. To supply these things is one of the pressing problems of the hour, and is the reason why sustaining committees have been formed in this country and England under the honorary chairmanship of Lord Dudley Marley. The Soviet government does not ask that the new settlers be avowed Communists. It does expect that they will abide by Russian laws and institutions whether they approve of the abolition of private property or not. The Soviets simply offer a man the right to live a new life and to build a new home under conditions which promise his safety from persecution because of race or religion. Unquestionably settlers will not have liberty as we understand it, or freedom of utterance. But they are offered a chance to live, to exist, and that is all the Jew can hope for in many places under the sun today.

One word more as to Biro-Bidjan. The region now has a population of only 50,000, of whom 30,000 are Russians, 12,000 Jews, 4,500 Koreans, who have preferred to move there rather than to live under Japanese rule in the land of their ancestors, 3,000 Ukrainians, and 1,000 Chinese. Lord Marley, who has recently visited Biro-Bidjan, declares that it has sunshine the whole year except during the rainy season of six or eight weeks in the middle of summer. The climate is like southern Canada, with plenty of snow for three or four months. Setting this tract aside for the ill-treated Jews of the world is a magnificent deed, and history will so proclaim it.

Oswald Garrison Villard

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"Our Aim Is to Abolish Slavery"

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Shenanigans of the Power Lobby

By PAUL W. WARD

Washington, August 17

HARDENED though it is to manifestations of putrescence in the legislative process, Washington stands aghast at the sordidness of the fight in Congress over the Wheeler-Rayburn public-utility holding-companies bill. The capital has been especially jolted by the in-fighting methods—the parliamentary and extra-parliamentary scrouging and biting—resorted to by the Honorable John J. O'Connor, Member of Congress from New York's Sixteenth District, and by the discovery of a member of the President's official family—Assistant Secretary Marvin McIntyre—consorting with the enemy. Both men have betrayed the President—one through guile, the other through stupidity—in a fight revolving around the one major issue before Congress in which the sincerity of Roosevelt's position was beyond question, and the capital's revulsion accordingly has been accentuated.

It was apparent from the beginning that the Wheeler-Rayburn bill—an attempt to curb the plundering of operating companies, investors, and consumers by the brigands of high finance—had Roosevelt's heartfelt support. Questioned frequently about it at press conferences, he never attempted to evade, even when the legislative situation was delicate. Furthermore, in his replies he displayed an uncharacteristic familiarity with the measure's details.

The issue was so plainly a personal one with Roosevelt that the recent disclosure that his former law partner, Basil O'Connor, was in the power trust's pay would have caused amazement even had not Basil's elder brother, John, been busily engaged fighting on the utilities' side in the House. Basil, a member of the Committee on Fitness and Character, First Judicial Department, New York, had been not only Roosevelt's law partner from 1924 until he entered the White House but also, for many more years than that, his close friend; he was a house guest of the Roosevelts soon after the inaugural and until recently has been a frequent White House visitor. Furthermore, the younger O'Connor —Basil is forty-three and John fifty—owed to Roosevelt whatever prominence he had attained in political and legal circles which he did not owe to his brother John. He had been an obscure lawyer, practicing solely as an individual, until Roosevelt took him into partnership in 1925.

When Roosevelt came to Washington, Basil O'Connor returned to his lone-hand practice; his influence in New York and Washington thereafter was limited to what he could reflect from Roosevelt and Big Brother John. It was this latter fact that lent particular piquancy to the revelation by spokesmen of the Associated Gas and Electric that the company had paid Basil a $25,000 retainer for his assistance and counsel in certain matters concerning them in New York. It lent something more than piquancy to Brother John's machinations with the Wheeler-Rayburn bill. John, too, had obligations to Roosevelt—if not personal ones, at least party ones. And he was in position to meet them, for as chairman of the House Committee on Rules he was, next to the majority leader, in power in the House. He had assisted in electing Representative Bankhead (Democrat, Alabama) to the floor leadership in order to remove Bankhead from the Rules Committee and thus make himself automatically the senior majority member and, as such, chairman. Since only by extraordinary procedure—impossible in the case of a close-fought issue—can any piece of major legislation reach a vote in the House without the consent of the Rules Committee, its chairman has close to life-and-death power over important bills.

Until the Wheeler-Rayburn bill reached his committee, O'Connor had used his power quite unmistakably in accordance with Roosevelt's wishes. To be sure, he had delayed the Wagner labor-disputes bill, and Representative Connery (Democrat, Massachusetts), chairman of the Committee on Labor, once complained before a meeting of A. F. of L. leaders that his committee "reports out all kinds of labor legislation but we never can get a vote because we can't get a rule"; but there is no reason to believe that O'Connor's behavior in these respects was contrary to White House will. If anything, it was condoned there; John was serving both Roosevelt and Tammany at once. He unquestionably was also serving Tammany in his handling of the Wheeler-Rayburn bill; nearly all members of the Tammany delegation in the House, including Tom Cullen, the delegation's leader, voted against the measure. O'Connor, moreover, has reason to serve Tammany; its sachems control his district and he had a hard primary fight in 1934 which he would like to avoid having to face again in 1936.

His first move against the Wheeler-Rayburn bill was taken in the face of Administration efforts to obtain a showdown vote on its most controversial provision—the section which the power trust with poisonous skill has dubbed the "death sentence." O'Connor, who prides himself on his cunning mastery of parliamentary tricks, had his committee report out a rule under which a record vote could not be obtained. In all fairness it should be noted that the course he followed was strictly in line with House procedure and that to have reported a rule calling for a record vote with the House sitting as a committee of the whole would have been extraordinary procedure. O'Connor took refuge in the technicality and waxed bitter when the press, watching members of the House slink between the tellers and try to hide from the galleries how they were voting on the "death sentence," treated his action as a piece of pro-power trust perfidy. Vigorously he denied that, but he, too, voted against the Administration—and the public—on the "death sentence," and when, days later, proponents maneuvered the bill into a position where a record vote was possible, he sought by resort to a technicality to block that showdown.

He was unsuccessful in his effort, but the proponents of the "death sentence" failed to bring about its adoption by compelling their colleagues to rise and be counted for or against it in sight of their constituents. The vote came on a motion to instruct House conferees on the bill to accept the Senate version of the "death sentence"; it was defeated 210 to 155. The opposition professed to be against the

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"drastic" treatment which the Senate version would accord holding companies, an obscenely hypocritical profession, for the House version prescribed for the holding companies precisely the same life or death that the Senate version prescribed. The only difference was that, whereas in the Senate version an effort had been made to surround the regulatory powers delegated to the SEC with safeguards which would protect them from invalidation by the courts, the House version contained no safeguards. The power trust's lobbyists had seen to it that in the Committee on Interstate and Foreign Commerce the "death sentence" provision was plucked and stripped until it was certain to succumb to the first court assault upon it.

The bitterness of the debate in the House over the bill—and especially the charge of Representative Brewster (Republican, Maine) that through Tom Corcoran of the RFC the Administration had threatened to cancel the Passamaquoddy power project in his state if he did not support the measure—precipitated what was supposed to be an investigation by the House of lobbying in connection with the measure. Still unembarrassed by his brother's connection with the power trust—and Basil was in the pay of a section of the utilities industry regarded as a pariah by all the rest—O'Connor leaped once more into the breach. This time he was able to prescribe extraordinary action by the House. He brought out a rule, a resolution, under which his own committee would conduct the investigation, instead of a special committee appointed for that purpose. And having accomplished his object there, he proceeded to bend all efforts toward turning attention away from the power trust's army of lobbyists, bivouacked on whole floors of the town's swankiest hotels. The investigation focused instead on the efforts of Administration officials to push the Wheeler-Rayburn bill through Congress in the Senate version.

The proceeding was so noxious that the Senate promptly moved to smother it by starting a lobby investigation of its own in charge of a special committee headed by Senator Black (Democrat, Alabama). Black's committee soon had made a laughing stock of O'Connor's investigation. Taking O'Connor by surprise, Black organized his committee, mapped a program, and had a witness on the stand within ten minutes. The witness was Philip H. Gadsden, a United Gas Improvement vice-president who headed the power trust's chief lobby, the Committee of Public Utility Executives, which in recent weeks has been occupied chiefly with issuing statements denouncing Basil O'Connor's clients, Associated Gas and Electric, and emphasizing that it considered them so contemptible that it would not open Mr. Gadsden's "committee" to membership for them.

Black not only had Gadsden on the witness stand with breath-taking speed but he also stole a march on O'Connor by having the records of Gadsden's "committee" seized before O'Connor could impound them. Then, after scoring that point and eliciting from Gadsden the information that his committee had spent some $300,000 to defeat the "death sentence," Black recessed his committee and sent out questionnaires to all utility companies to form the basis of a bona fide and comprehensive lobby investigation. From then on it was nip and tuck between the House and Senate investigating groups, with Black's committee constantly in the lead. Unlike O'Connor's committee, Black's plainly was concerned with digging up the dirt against the power trust. With equal plainness, it was bent on counteracting O'Connor's efforts to whitewash the power trust and besmirch the Administration. Black's committee would meet suddenly and briefly, snatch the headlines away from O'Connor's blundering investigators by breaking out a new bit of scandal right under O'Connor's nose, and then recess again. O'Connor whined, blustered, protested, but obdurately kept on.

Then came *l'affaire* Hopson. Black's committee with the aid of House members—who appeared not too strangely to lack faith in the bona fides of the House's investigation under O'Connor—had dredged up evidence that Associated Gas and Electric alone had spent some $800,000 fighting the "death sentence" and that in doing so it not only had caused thousands of protest telegrams to be sent at its expense to Congressmen without the knowledge of those whose names were signed to the messages (including some men long dead and others missing), but also had sought to destroy the evidence of this duplicity. From Associated Gas and Electric representatives who were called, it was learned not only that Basil O'Connor was on the utility's payroll but that so also were Patrick J. Hurley, former Secretary of War, and Joseph P. Tumulty, Wilson's former secretary, who now practices law and lobbying in Washington. A subpoena was issued for H. C. Hopson, master of the Associated Gas and Electric monstrosity. It was issued the last week in July but to no avail, for Hopson, who two years ago had evaded a Senate Banking Committee subpoena for six weeks, had taken it on the lam.

The Senate's search grew hot and bitter, and as it progressed, O'Connor's committee began to catch up. Finally it, too, issued a subpoena for Hopson. Then apparently a deal was made by Hopson, and it was not with Black but with the brother of Hopson's retainer, John O'Connor. Certainly, if it was not a deal, appearances never were more deceiving, for Hopson surrendered, preferentially, to the House committee. The arrangements for his surrender were made without the knowledge of any member of that committee except O'Connor, and after the surrender was effected O'Connor fought valiantly to protect Hopson from being captured by the Senate committee. An attempt was made to give Hopson's surrender the appearance of an actual capture by O'Connor's committee, but that broke down when Hopson, testifying under oath, was compelled to say he had given himself up by arrangement. He professed, however, not to know with whom or by whom the arrangement was made.

O'Connor had Hopson secreted away from the Senate committee's process-servers the night of his arrival and brought him before the House committee the following morning, August 13. When an investigator for the Black committee attempted to serve Hopson with a subpoena that noon as he left the House hearing, he was pushed aside by a bodyguard O'Connor had provided for the utilities magnate. Haled before the Black committee, the guards testified they were acting under instructions from O'Connor. The latter hid Hopson away the rest of that day and night, and the following day found himself in trouble with members of his committee who objected to this smelly procedure, with the result that one of Black's investigators was permitted to serve Hopson with a subpoena as he left the House hearing a little before noon. The subpoena ordered Hopson to appear at once before the Black committee, but

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he ignored it. Black had his committee wait for Hopson until 1:30 p. m. Then he reconvened it at 3 and it waited for Hopson until 4 p. m. Hopson having failed to put in an appearance at that hour, Black's committee presented to the Senate a resolution citing Hopson and his attorney, William A. Hill, for contempt.

O'Connor promptly put on another amazing demonstration. The head of the committee that was supposed to be probing lobbying for the House immediately appeared on the Senate floor, lobbying frantically to save Hopson from being cited for contempt. He had told Hopson to ignore the Senate's subpoena and argue that he could not respond to it while under subpoena from the House. To afford Hopson a technical basis for that argument, O'Connor had Hopson at that very moment tucked away in a cubbyhole where William Collins, investigator for O'Connor's committee, was going through the motions of questioning him to preserve the aspect of custody. O'Connor's lobbying in the Senate apparently had some weight with Senator Robinson, the majority leader, for Robinson tried to have the contempt citation held up, but he was unsuccessful and it was passed without debate or a dissenting vote.

Then the Senate's hunt for Hopson began anew. This time the searcher carried not a subpoena but a warrant for his arrest. It was never served. Hopson was too well hidden. And in the morning the dauntless O'Connor made one more bid to save his brother's client. He strove to put through his committee and the House a resolution which would have directed the House's sergeant-at-arms to arrest Hopson and hold him in sole custody until O'Connor's committee had completed its farcical questioning of the financier. The resolution would have perfected Hopson's defense against the Senate's contempt citation. But O'Connor's plans went awry. His committee revolted and refused to report the resolution in the form presented. It insisted, and so did the House, that Hopson be made available to the Black committee whenever his presence before the House committee was not required. O'Connor, striving valiantly to fulfil his mission and stave off Hopson's appearance before the Black committee until Congress had completed action on the "death sentence," then shot his last bolt. He had Hopson questioned in chambers by Collins until after five o'clock that afternoon, then offered him to the Black committee with the understanding that O'Connor should have him back in the morning. Black's committee, however, was not to be so easily gulled; instead of saying it was too late in that extraordinarily hot day for the committee to sit in interrogation of Hopson, it fairly boosted O'Connor's fat and grotesque little protege on to the witness stand and kept him sweating there for two hours. In those two hours it elicited more information from him than O'Connor had even attempted to produce in two days.

We have skipped over *l'affaire* McIntyre in this chronological narration of O'Connor's shenanigans (the libel laws forbid a more precise descriptive) the better to keep their multiplicity clear. *L'affaire* McIntyre occurred on the night the Senate's sergeant-at-arms, Chesley Jurney, with an arrest warrant in his hand and trailed by a pack of reporters, was searching for Hopson. The search had led by ten o'clock to the Shoreham Hotel and the door of a suite there occupied by B. B. Robinson, who had directed the Associated Gas and Electric lobby and in the process, as he told O'Connor's committee, had had "oh, a wonderful time" entertaining Members of Congress. What Jurney and his trailing pack of reporters found in the suite of Robinson, chief foe of the bill which more than any other had Roosevelt's heartfelt support, was not Hopson but Robinson himself, a squad of blondes, Amon G. Carter, publisher of the Fort Worth *Star-Telegram,* and two Administration officials—L. W. (Chip) Robert, Jr., Assistant Secretary of the Treasury, and Marvin H. McIntyre, the man who determines who shall and who shall not see the President.

Both McIntyre and Robert are famous seekers after the flowing bowl and merry company, and McIntyre, at least, finds the capital's lobbyists the best of guides to both. Finding him, then, in company with a lobbyist would have been no surprise under ordinary circumstances. But finding him making merry with Hopson's tool, Robinson, shocked Washington into a realization of the incredibility of McIntyre's habits and of that greater incredibility—that Roosevelt keeps him in the White House.

There is another and corollary incident that demands mention, and that is the disgraceful performance of the Associated Press in connection with *l'affaire* McIntyre. (He, incidentally, is reported dauntlessly to have had dinner the following day with Robinson.) Publisher Carter, on noting the pack of reporters at Jurney's heels, proclaimed the fact that his paper was a customer of all three press services represented there and warned the representatives that if they put the story of their encounter on the wires he would get their jobs. Then he hustled them into the hotel's bar and left a blank check behind to pay for drinks. To the Hearst press service's everlasting credit it promptly dispatched the tale. The United Press also put it on the wire, albeit not until long after midnight when it could not catch many papers. The Associated Press, however, suppressed the story, and not until late the following day did it release the yarn. Even then it acted only under badgering from editors in various parts of the country, and, although one of its own men had witnessed the incident, the Associated Press avoided responsibility and had the story sent out of New York in a form which represented it as an exclusive yarn dispatched to the New York *Post* by its Washington correspondent. Carter, it appears, is a power in the Associated Press. He is newsworthy in his own right. He boasts large influence with the Roosevelt Administration and can point at least to the fact that his protege, Silliman Evans, was made an Assistant Postmaster General at the New Deal's outset. Evans now heads the Maryland Casualty Company by the good grace of Jesse Jones and the RFC. Carter also is remembered as the man who struck terror in the hearts of Rice Hotel guests during the Democratic national convention at Houston in 1928 by some fancy open work with a bullet-spitting six-shooter in moments of excessive hilarity. His and McIntyre's companion on the night of August 14, "Chip" Robert, was a protege of the late Jack Cohen, Atlanta publisher and Democratic national committeeman from Georgia. Cohen wanted to be Secretary of the Navy, and failing in that was solaced by having his bosom friend "Chip," an Atlanta construction engineer, made Assistant Secretary of the Treasury in charge of public works. Morgenthau has since stripped him of virtually all authority, and he now has charge of "engraving and printing and mint service."

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Britain's Boom in War Planes

By FRANK C. HANIGHEN

London, August 5

THE recent rearming of Great Britain is the cause of the greatest boom in the armament business since the World War. The cause of the rearming, however, does not seem to be entirely the widely publicized menace across the Rhine. The desire of the armament makers to boom their own business apparently has had much to do with it. Certainly the press and the friends of the armament makers in the government have employed all the devices for manipulating public opinion, including exploitation of the monarchy, to build up an atmosphere of alarm and war excitement. In the aeroplane they have found the most spectacular and appealing of the weapons of war. A picture of the King inspecting a Handley-Page bomber—common in British newspapers in the past few months—has become the symbol of Britain's new war boom.

The Jubilee and preparations for the Jubilee were coincident with the introduction of the new defense estimates, which increased the war budget by £10,539,000, and brought a sharp rise in Vickers shares. The air force, in the midst of the hanging of Jubilee festoons, was the principal recipient of favors. On May 3 Ramsay MacDonald announced: "The government is already taking steps for the further and accelerated extension of the Royal Air Force." In June the tempo increased. Then the Hendon Air Show was held before 100,000 spectators. The show is held every year, but this year two of its items at least received fresh publicity. One was a "robot" or pilotless, radio-directed plane displayed in a special exhibit on the ground. The other was an exhibition of bombing practice which cogently pointed a moral, namely, the need of increased appropriations to modernize the air force. A squadron of ancient biplanes was sent aloft to belly awkwardly over a field of targets and to drop bombs with rather marked inaccuracy—in front of the press box. A few days later pride in the Royal Air Force was revived by another air show held at Mildenhall—unlike Hendon, a new event this year. There one of the features was a large squadron of Handley-Page bombers which flew past the King and his "four soldier sons."

The pace accelerated. The government announced a new anti-aircraft defense program for civilians, including organization of first-aid squads, education of civilians in gas-defense measures, provision for gas-masks for the personnel directing the campaign, and other measures. But no appropriations for equipping the people with gas-masks accompanied the announcement, and the whole arrangement quite noticeably placed the expense and duties of the plan on the shoulders of local and non-official organizations. However, the announcement was well-timed and sensationally phrased, and made the first page of all the dailies.

Then came the review of the fleet at Spithead, the first since 1914, with seaplanes occupying a prominent place in the activities, and the King, in navy blue, on the deck of the reviewing yacht. Finally, a week later, London was "attacked" by an "enemy" air fleet in maneuvers lasting four days. The same maneuvers last year took two days. The King, according to the papers, expressed great interest in the Northland (defending) force and "asked many questions." After that, royalty and aviators prepared to relax their duties during the month of August.

But the Stock Exchange is far from relaxed and not likely to become so. For the predictable boom in aircraft business has accompanied these gala events of the spring and summer. As a matter of fact, the boom got under way in 1934, when Handley-Page showed a profit of £44,950 as against £20,441 in the previous year. Hawker in 1934 made £146,836, De Haviland £106,620, and Armstrong-Siddeley £152,494. The announcement of these earnings has increased excitement among the traders on the Exchange. Thus De Haviland shares, from an issue price of £1 rose in June, 1935, to £3/2/6. Fairey Aviation, Ltd., increased more than two and one-half times, Handley-Page more than three times, Hawker almost six, and Rolls-Royce eight times. With these big firms leading the way, a number of small fry have entered the field. The number of new aircraft issues has been considerable. Phillips and Powis shares, issued in March, 1935, at 6/1, rose in June to 9/3; Parnell Aircraft (on a select list of contractors approved by the R. A. F.), issued at 5/, rose to 5/7½ in June; British Aircraft, Ltd., issued in April at 5/, rose to 7/6 in June.

The financial section of the *Daily Herald* on June 19 reported that "great activity in the issuing of shares in aircraft companies is now, as was to be expected, taking place as a result of the government's air-force policy. Today's particulars are published of an issue at par of 700,000 ordinary shares of 5/ each in Aero Engines, Ltd." Aero Engines, Ltd., it seems, are confident of profits, for they possess the license for the latest and most formidable weapon, the Hispano-Suiza motor cannon, which fires an explosive shell forward through the center of the propeller shaft. The *Herald* virtuously remarked: "Investors must decide for themselves whether this is the sort of development out of which they would like to make profits." Many, it appears, so decided, for later it was announced that the issue was oversubscribed.

A number of foreign firms have appeared on the scene to participate in this harvest. Fokker is now engaged in building an aeroplane factory in the north, and the Bellanca Company from the United States has purchased ground on which to build a plant. It is reported that Douglas Motors executives are in England to survey the situation.

With this competition to fear, the larger firms have formed the inevitable mergers to safeguard their preferred position. The Hawker Company, which raised its dividend from 15 to 20 per cent on June 18, seems to have gobbled up the Armstrong-Siddeley Development Company, Ltd. The new firm will be called the Hawker-Siddeley Aircraft Company, Ltd. With Armstrong-Siddeley come its subsidiaries: Armstrong-Siddeley Motors, Ltd., Sir W. G. Armstrong Whitworth Aircraft, Ltd., A. V. Roe Company, Ltd., and Air Service Training, Ltd.—the latter having a

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contract to train pilots for the R. A. F. Hawker earned 40 per cent last year, while Armstrong-Siddeley earned 31.2 per cent. The *Herald* says: "The new holding company will thus be in an excellent position to obtain full advantage from war preparations which have already proved so profitable to some sections of the City."

War preparations include about a hundred new aerodromes scattered strategically over the country. Thus a new feature has been introduced into the land speculation which has accompanied the famous building boom here. In the windows of real-estate offices in London may be seen signs advertising property as "suitable for aerodrome sites."

With this keen gambling in land and aircraft shares there have naturally been some murmurs from Members of Parliament. Questions have been put to Sir Philip Cunliffe-Lester, Minister for Air, about the conduct of the government and the aircraft companies. But Sir Philip has never been very informative, limiting himself to a statement that a committee appointed by the ministry will see that no discreditable transactions occur. Sir Philip, so far as it can be ascertained, at the present time owns no aircraft shares. But in the past he has had munitions shares, and until very recently he was heavily interested in tin. He was formerly at the head of the Tin Producers' Association formed to assist the tin pool which last winter furnished the major financial scandal of the year. Tin, according to the *News-Chronicle* of July 20, is widely used in munitions, and "the cause of the rise [referring to the record high prices of this product] is a recent rapid increase in demand, partly from European armament interests."

The press, with but few exceptions, has given its enthusiastic support to this armament program, but, at least in one instance, not altogether gratuitously. The royal arms inquiry brought out that the *Daily Mirror,* which had been conducting a loud campaign for increase of the air force, held 4,000 shares in the Fairey Aviation Company, Ltd. During this boom period the shares of the six principal aviation companies, including Fairey, have increased in value 70 per cent on the average.

One of the most substantial results of the armament boom has been the creation, within the past few years, of the busy munitions town of Corby, in Northamptonshire. The press has taken no notice of the phenomenal growth or the nature of this mushroom city; newspapermen have considerable respect for the Official Secrets Act. The works at Corby, which produce mainly aeroplane parts and shells, are surrounded by barbed-wire entanglements. It is said that this new arsenal is designed to replace the Woolwich arsenal in case the latter is destroyed by an air raid; certain portions of the Corby works can be changed within a few hours to duplicate operations performed at Woolwich.

All this frenzied activity in finance and manufacturing, which "must," as the Handley-Page officials said of their own company, "primarily depend on orders from the government," is apparently, then, the result of the government's defense program. And the government's defense program, according to the government's statements, is the natural result of its discovery of the startling rearmament of Hitler in defiance of the Versailles treaty. Britain must arm against the German menace, and the arms manufacturer must patriotically supply the weapons. Yet there is reason to think that Hitler's announcement of his aircraft policy was not the motivating cause of British rearmament in the air. Examination of the facts in chronological order reveals what looks suspiciously like a regulation arms scare.

The opening of the great Parliamentary campaign this spring for increased aircraft appropriations began on April 1. On that date the perfect pretense was provided by Hitler's famous statement that the German air force equaled the British. From then on newspapers agitated and M. P.'s obliged with estimates. As a matter of fact, the lathes in Leeds and Corby had been turning long before April 1. On February 20, 1935, the magazine *Aeroplane* said: "Every aircraft factory in this country at present is either already turning out masses of aeroplanes for the new squadrons and for the increased reserve . . . or else the factories are tooling up for production—which means that new machine tools and special apparatus are being installed—or else negotiations are going on between the manufacturers and the Contract Department in the Air Ministry." Thus more than a month before Europe openly entered the military aircraft race the organ of the English aircraft manufacturers announced their preparations.

Statements and counter-statements from the various European chancelleries followed in quick succession. After Hitler's announcement on April 1 General Denain, Air Minister of France, said that in France "air reequipment was being expanded and accelerated." England then spoke in the person of Sir Philip Sassoon: "The Royal Air Force has still a margin of superiority over the German air force. Nevertheless, the rate of Germany's air development is such as to cause His Majesty's Government grave concern." On April 17 the British Home Office set up a department for preparation against air raids. On May 3, after MacDonald's statement that the British government was expanding the R. A. F., Göring retorted: "We have expanded the technical and industrial capacity to its extreme limit, to create the air arm at a single blow." And so on.

With this great show proceeding so profitably for aircraft share-owners and so gloriously for R. A. F. officers, the heavy-armament industry and the admirals and generals seemed rather neglected. But their reward was not withheld long. At Aldershot the Royal Commander-in-Chief reviewed the mechanized squadrons of the army and announced that the transport of the British first and second divisions would be fully mechanized within a year. The navy had its inning on July 16 at Spithead, where the "Sailor King," as the press called him, watched the maneuvers and parade of the fleet. One of the features of the navy show was a realistic anti-aircraft battle. A robot plane, pilotless and controlled by radio, was sent up as a target for naval anti-aircraft guns. "Attacking" at the rate of fifty miles an hour, the robot remained unscathed after a very large number of rounds had been fired at it, but was finally winged and brought to the surface of the water. Some experts later stated privately that the aim of the batteries was so bad that the plane—maneuvered, of course, by naval radio operators—had to be guided into the trajectory of the shells. The navy was jubilant over having proved that aircraft were not so invincible as the recent publicity had suggested. It reaped further advantages on the morrow of the review when the Beaverbrook papers announced that the fleet was so obviously outdated that it was doomed to defeat in another war. The *Daily Express* immediately

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started a campaign to rehabilitate the fleet at an estimated cost of £250,000,000.

Thus under the popular sponsorship of the monarchy the arms boom has got well under way—the aircraft program leading, the naval program following. It is not certain that the aircraft boom, either in Parliament or on the Exchange, will decline hereafter, but it is certain that traders will be a little more catholic in buying their armament shares. Witness the following. Immediately after the campaign for a new navy was launched, the firm of Vickers announced that it had completed steps to acquire all of the share capital of Vickers-Armstrong, amounting to £17,464,-251. This firm, according to the financial editor of the *News-Chronicle,* has "assets of great potential value, including control of the English Steel Corporation, in addition to ordnance and armament works." The editor concludes: "Although Vickers 6/8 shares have risen to nearly 15/, I would not sell."

The Crisis of the Middle Class

III. The Middle Class Under Socialism

By LEWIS COREY

A TRAGIC contrast torments the world. It is the contrast between capitalist decline and decay, with its menace of fascist barbarism, and the economic and cultural promise of a liberated collectivism which provides all the elements of socialism.

One element of socialism is the capacity of industry to produce abundance. It is wholly possible, on the basis of existing American economic resources, not only to abolish poverty but to make plenty available to all. There are efficient means of production, all the necessary labor and raw materials, including the increasing creation of synthetic materials, and constantly larger masses of scientific knowledge capable of technological application. By freely and fully using all our economic resources and by limiting incomes to $10,000 (a limitation that would affect only 350,-000 persons out of 52,000,000 gainfully occupied), every family can be assured the minimum income of $4,000 yearly. Yet, in the most prosperous year 1929 the majority of wage workers had incomes below $2,000; while 80 per cent of the members of the middle class, which, in the futile hope of saving itself under capitalism, may rally to the program of strangling the productive forces, had incomes below $3,000. Socialism, moreover, by utilizing the more efficient techniques already offered by science, can again increase the output of goods and services even while it multiplies creative leisure, and remake the world.

Another element of socialism is found in the collective forms of economic activity with whose efficiency the capacity to produce abundance is inseparably identified. Economic activity is now institutional, not personal; collective, not individual. Ownership in the dominant corporate industry is separated from management. Stockholders perform no function except that of ownership, and the passive nature of this ownership strips it of all social value. Initiative and management are impersonal, cooperative, and collective, the functions of hired men. There is no economic individualism: wage workers and salaried employees must conform to the rhythm of the machine and the discipline of its organizational relations. But the old relations of individual ownership and appropriation still prevail and fetter the productive forces; hence the clash of new and old social orders. For collectivism, which increasingly includes the performance of professional and cultural services, represents a vast socialization of economic activity—the objective basis of socialism.

Only a simple change in the capitalist relations of collectivism is needed to transform it into socialism. Ownership is vested in a decreasingly small class and stripped of all constructive functions: why not social ownership? The majority of the people—80 per cent of them—are employees dependent on the oligarchy of monopoly capitalism: why can they not work for the self-governing community of labor? Industry is collective but appropriation is still individual: why not collective appropriation of the fruits of collective labor? These changes would instantly release the forces of production and consumption; the capitalist-fascist alternative is to strangle them.

The third element of socialism is conversion of the mass of the people—88 per cent of them, including more than two-thirds of the middle class—into propertyless dependents on social property owned by a small capitalist minority. Wholly typical and dominant is the proletariat of wage workers. But the working class includes in the larger sense the masses of lower-salaried employees and professional workers. For they are not a "new" middle class in any economic sense. They developed within the orbit of the middle class and may still accept its ideals, but they are thrown out of the class by their propertyless and dependent condition. The term "new middle class" has definite meaning and application only to the higher managerial and supervisory employees, who are essentially "institutional" capitalists. The masses of lower-salaried employees and professional workers are economically and functionally a "new" proletariat, separated from ownership of the means of production and dependent on the sale of their labor for a livelihood. Their immediate and final interests are one with labor and the struggle for socialism.

Proletariat and salaried employees, including professional workers, are the product of the same forces which transformed economic individualism into collectivism. The first step of capitalist production was to convert independent artisans and craftsmen into wage workers. Salaried employees, as a distinctive and important group, developed much later. They developed when collective large-scale industry began to transfer the tasks of administration, management, and supervision to salaried employees, who, for a

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time, grew more rapidly than wage workers. Collective forms of economic activity transformed increasingly larger numbers of independent enterprisers into wage workers or salaried employees, performing dependent, routine tasks. Hence, in economic origin and function, wage workers and salaried employees are identified with the collectivism which is the basis of socialism.

This identity of interest is strengthened by increasing proletarianization. The scarcity value, economic security, social standing, and incomes of salaried employees made them clearly members of the middle class in the earlier stages of capitalism. But collectivism proletarianized their functions while multiplying their numbers. Most salaried employees were converted economically into wage workers and most professional independents into salaried employees. They may still cling to middle-class ideals, but defense of capitalism, except in the case of salaried employees, is wholly opposed to their economic interests.

Salaried labor is increasingly mechanized and becomes, even in the case of professional workers, the mere performance of routine tasks. Scarcity value is destroyed, economic security and social standing are undermined, and incomes are relatively lowered. This appears most clearly among the millions of clerical employees. The clerk was formerly a confidential employee who might aspire to become a firm member or to marry his employer's daughter; now he performs the most routine tasks and in 1929 earned an average of $1,400, not much more than the wage worker's $1,200. The average of all lower-salaried employees and professional workers was $1,800: the average of millions of organized skilled workers was much higher. Proletarianization was sharply revealed and accelerated by the depression: millions were thrown out of work or had their salaries slashed, their security and privileges destroyed, although in former depressions they had been measurably protected against the cyclical storm.

The fate of lower-salaried employees and professional workers, moreover, is inseparably interlocked with labor by the increasing misery of capitalist decline. The increasing misery of the earlier stages of the Industrial Revolution, which was accompanied by economic progress and multiplication of the productive forces, affected only wage workers and peasants; salaried employees multiplied more rapidly, the new technological basis of industry needed the services of more technicians, and professional independents thrived on rising standards of living in the middle and upper classes. Now, however, increasing misery is accompanied by economic retrogression and strangling of the productive forces; millions of salaried employees are thrown into permanent unemployment, along with still more millions of wage workers, while the performance of professional services, now largely dependent on the masses, must be severely limited by lower mass standards of living.

United by their origin in collectivism and by their propertyless, dependent condition, the identity of interests of wage workers and salaried and professional workers becomes final in socialism, which arises out of the transformation of collectivism. Socialism is the creative unity and meaning of the class-economic changes wrought by collectivism, including the increasing disintegration of the old middle class and the upsurge of the "new," all of whose useful functional groups are necessary under socialism.

The struggle for socialism proceeds outside the orbit of the middle class. For that class is no longer the carrier of a new social order; it is split by discordant interests and the clash of new and old social orders among its antagonistic groups. As surviving small enterprisers try to solve their crisis of property within the relations of capitalist production and the higher-salaried employees cling to monopoly capitalism, they drive the middle class toward fascism. Hence the struggle for socialism proceeds within the orbit of the working class, which includes the masses of lower-salaried and professional workers—9,000,000 of them out of a middle class of 13,000,000.

As the crisis of employment drives the salaried and professional workers toward socialist liberation of the productive forces, they must discard their inherited class allegiances, an ideological break which is the whole problem of rallying the "new" proletariat. They must discard their inherited antagonism to labor; the antagonism is against their own interests, it profits only the independent enterprisers and higher managerial employees, and it is inflamed by fascism for its own barbaric purposes. They must grow an economic backbone by the organization of unions and, through the unions, work actively in a labor party based on *all* unions. These are all means of struggle for the improvement of conditions and against the menace of fascism. But as the crisis of capitalism becomes worse, it appears clearly that defensive action is not enough. For under conditions of economic decline and decay mere reformism drives the two groups of the working class apart and replaces united struggle with a dog-and-cat fight for "salvation" against one another. That creates the opportunity for fascism, which offers to make salaried and professional workers an important caste in the new reactionary set-up, and destroys all chance of rallying to socialism the poorer small enterprisers, especially the storekeepers. It becomes clear that the only answer to the increasing misery of capitalist decline and the menace of fascism is the communist struggle for the overthrow of capitalism and the transformation of collectivism into socialism.

The planned economy of socialism, unfettered by the vested interests of capitalist profit, imposes an unbreakable control over economic activity and liberates the forces of production and consumption. That the control works is amply proved by the Soviet Union. During five years of the depression the United States suffered a loss of 260 billion dollars in goods and services which might have been produced if prosperity had not broken down in 1929: the total losses of the capitalist world are probably 700 billion dollars. The only nation which escaped the depression is the Soviet Union; its planned economy, by preventing a cyclical breakdown, produced around 75 billion dollars' worth of goods and services which would not have been otherwise produced. That is one aspect of creative socialist control.

What becomes of the middle class under socialism? The class has already gone through two transformations. By the sixteenth century it had become a petty bourgeoisie and begun its unsuccessful war in defense of small property against the big bourgeoisie. After the Industrial Revolution, with the onsweep of collectivism, the middle class became decreasingly a class of propertied independent enterprisers and increasingly a "class" of propertyless, dependent sal-

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aried employees and professional workers. The third and final transformation appears under socialism: the old middle class of independent enterprisers completely disappears, their functions absorbed in the fuller collectivization and socialization of industry, while the useful functional groups in the "new" middle class—the "new" proletariat—are absorbed in the community of labor. Socialism completes the process, already almost completed under capitalism, of converting independent owner-managers into employees, while employees are liberated from their dependence on monopoly capitalism.* They are liberated by the right to work and to an income, by the protection of all-inclusive social insurance, and by the increase of leisure and independence.

The upward movement of economic activity under socialism would mean a constantly greater need for the functions now performed by salaried employees. Socialism means a greater demand for clerical and managerial and supervisory workers. For as economic activity more fully realizes the promise of technology, completely automatic production, it becomes more and more an activity of organization, management, and supervision. But when managerial and supervisory functions are stripped of their exploiting capitalist relations, their performance becomes wholly a form of productive social labor.

The number of technicians must grow as automatic production grows and more of the work is performed by technicians. Their craft function is liberated, while manual workers are increasingly converted into technicians. This is of the utmost cultural significance, for it breaks down the distinction between manual and mental labor, a tendency already apparent in the most modern existing plants. Thus technology itself confirms one of the most derided "utopian" ideas of Karl Marx, who fifty years ago wrote of the "higher phase of communist society, after the enslaving subordination of individuals to the division of labor and with it also the antagonism between mental and manual labor have disappeared, after labor has become not merely a means to live but is itself the first necessity of living." Obliteration of the division of labor, which means that it increasingly becomes a function of the mechanical equipment, depends for its fulfilment upon socialism, with its unlimited technological application of science and its mass participation in higher learning. That means a cultural revolution whose creative value is incalculable.

As the economic surplus and standards of living rise under socialism, there is a constantly greater demand for professional services. Unlike the tragic situation now prevailing—millions of people denied professional services while the performers of these services are degraded by unemployment—socialism liberates the professional workers by providing conditions for the free and unlimited performance of their craft functions. The tendency is already clearly apparent in the Soviet Union. Two non-Communists, A. Newsholme and J. A. Kingsbury, report that socialization of medicine in the Union, which they consider a "great achievement" and a "challenge," has "removed the doctor almost completely from the field of monetary competition and has thus abolished a chief source of inadequate medical care." The socialization of professional services offers their performers more leisure, more satisfactory compensation, and more opportunity for creative labor.

Socialism opens up immense possibilities for educational workers: the mere introduction of smaller classes would be an achievement and multiply the number of teachers, easing burdens and making the work more productive. Complete realization of socialism and the transition to communism, moreover, are inconceivable without an increasing mass participation in higher learning, for cultural and not merely occupational purposes. In the Soviet Union the Five-Year Plan for 1932-37 calls for universal, compulsory high-school education—the first time a nation has set itself that objective. This, according to Valerian V. Ossinsky, is a "decisive step toward the abolition of all distinction betwen the manual and the mental worker." The final objective is universal college education. For socialism can accomplish its great purpose—the creation of a new man, master of himself and of his world—only by a cultural upsurge which involves the transformation of education.

Thus socialism offers the useful groups in the middle class the liberation of their craft function and multiplication of the opportunity for its performance, whereas a declining capitalism and fascism offer the direct opposite. That socialism moves in that direction is amply proved by the tendency in the Soviet Union. An American socialism, moreover, would realize its aims much more easily and rapidly, as the objective economic basis of socialism—collectivism and the capacity to produce abundance—is most highly developed in the United States. The tasks of socialist construction were enormously complicated in the Soviet Union by its low economic and cultural heritage; the Bolsheviks were forced to devote the major part of their great work to industrialization, a task already accomplished by capitalism in our country, where 75 per cent of the problems, difficulties, and mistakes of the Bolsheviks would simply not arise. Our task would be the comparatively simple one of introducing the relations of a socialism whose economic forms are almost fully in existence.

Unlike fascism, which makes an ideal of dictatorship and authoritarianism, socialism includes liberty, equality, and democracy in new and higher forms. Communist dictatorship is wholly functional and temporary: it is destroyed as socialism abolishes classes, multiplies abundance and leisure, and makes higher learning available to all. The old middle-class ideal of the liberty and equality of men owning their means of livelihood becomes the liberty of labor and the equal right to share freely and fully in social property: the always limited and now dying democracy of small owners of property becomes the democracy of the self-governing community of free workers. Economic individualism is replaced by the freedom of human and cultural individuality. That means the rebirth of democratic ideals, not their fascist death.

In this crisis of civilization, of which their own class

* Independent enterprises which do not employ labor are not immediately socialized; this is particularly true of small storekeepers, who are formed into cooperatives (they now form "voluntary" chains) as a step toward final socialization. Socialization of larger enterprises is immediate, and it means this: their salaried managers work for the community instead of for a handful of parasitic stockholders. Nor is it necessary in the United States to proceed rapidly with the collectivization of agriculture. That was necessary in the Soviet Union because of the preponderance of an individualistic peasantry and the backward state of agriculture. The larger American farms—roughly 40 per cent of the total with 80 per cent of the output—would be socialized and the smaller farms formed into cooperatives (already used by the farmers). Experience would prove the necessity of socialization, as only that could solve the problem of farmers being displaced by more efficient agriculture, for whose products there is a limit. In the last analysis, however, socialization of agriculture would become complete most rapidly in the United States, because of the greater mechanization. That involves the planned unity of industry and agriculture, including decentralization of the former.

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crisis is an aspect, the members of the middle class may recall the great expression of the bourgeois struggle for power, the Enlightenment, that magnificent rejection of the traditional and defiance of old ideals, passions, and prejudices. The spirit of the Enlightenment, according to Immanuel Kant, was "liberation of man from his state of minority, the incapacity to use one's understanding." Its motto was, "Dare to understand!" It meant, in the words of Thomas Jefferson, the foremost American exponent of the Enlightenment, "to go forward instead of backward, to disbelieve that nothing can be devised more perfect than was established by our forefathers." We, too, must reject the traditional and defy old ideals, passions, and prejudices: we must dare to understand. The answer to the new barbarism must be a new Enlightenment, whose elements are provided by Marxism: the perceiver of a new world and its creator. Dare to understand: forward, not backward! Upon that depends the future of the world, *our* future.

[*This is the last article in Mr. Corey's series on the crisis of the middle class.*]

The Menace of Tax-exempt Bonds

By WILLIAM WITHERS

THE President's recent tax proposals threw new light for a few days on one of the greatest flaws in our tax system—the existence of large numbers of securities which are wholly tax exempt. The Treasury's loss of revenue caused by this convenient form of tax avoidance offered to the wealthy was demonstrated to Congress by Secretaries Glass, Houston, and Mellon. Yet on two occasions Congress has refused to pass the needed legislation, and when the issue was again raised recently, it was quickly buried beneath the usual Washington dust storm. Until this year the Roosevelt Administration has shown little interest in the problem of social taxation. But the "left-wing" tax bloc, headed by Senators La Follette, Norris, and Couzens, has pressed for higher inheritance and income taxes and for a constitutional amendment to eliminate tax-exempt bonds, recognizing the futility of raising rates on taxable income while the federal and local governments were issuing a large number of non-taxable securities. This bloc would probably have had little success if Huey Long had not stirred up such strong sentiment for his Share-the-Wealth program that the President could no longer ignore the problem of taxation. He then lent his support to a half-hearted tax measure intended to "balance" the tax structure by increasing the taxes paid by the rich. Unfortunately, however, Mr. Roosevelt chose to pull his punches and omitted the tax-exemption amendment from the list of reforms to be achieved during this session.

Under the real-property tax persons holding intangible wealth such as securities tend to escape their full share of taxation. After the passage of state and federal income-tax laws the exemption of government securities rightfully became a leading issue, since the income tax had been urged as a means of tapping the income drawn from securities. But holders of government bonds have continued to dodge taxation. As a result of court decisions based upon the doctrine that government agencies could be destroyed by taxation, the federal and local governments are prohibited from taxing each other's securities, and a tax-exempt class has been preserved. The situation can only be altered by a constitutional amendment so far as the outstanding debt is concerned.

The exemption of federal issues from taxation is objectionable on both social and fiscal grounds. It makes impossible a balanced and equitable tax system, well adapted to a social state. The federal tax system was not sufficiently progressive before the depression, and in the past five years its weakness in this respect has been accentuated. Not only have investors been offered huge short-term Treasury issues which escape both normal taxes and surtaxes, but by far the largest amount of federal revenue now comes not from the income tax but from excise taxes. Income as a source of tax revenue has become both absolutely and relatively less important. Our large exemptions, particularly in connection with the large federal issues of the past few years, make many of the comparisons between British and American income-tax rates meaningless. Tax exemption, together with the relatively minor role played by the income tax in this country, makes for a tax system which *in toto* is unduly burdensome on the poor. A recent Senate amendment to the tax bill eliminates the exemption privilege on future federal issues. Assuming that this provision is spared when the bill finally emerges from conference, it still does not reach the tax-free local bonds or federal bonds already issued. The former could be taken off the tax-exempt list only by local action, the latter by a constitutional amendment. Under these circumstances the application of higher inheritance and corporation taxes and surtaxes which can be avoided merely adds to the grotesqueness of our tax system.

An outstanding example of the ramifications of the exemption feature in our tax network is found in the social-security bill. Implicit in this bill is the tendency of Congress to avoid progressive tax legislation. Provision is made for payroll taxes, levied on employers and workers, with which to build up reserve funds. These funds are to be invested in federal securities. In other words, Congress proposes to support and pay off the federal debt, not, as it should, by graduated income taxes, but with revenues obtained from a regressive payroll tax. In the face of such legislation it becomes even more important to abolish tax exemption on government issues, so as to compensate at least in part for the coming system of taxing the poor to support the poor. It is true, of course, that the reserve funds of the security bill provide a means of eliminating tax exemption indirectly, since they will reduce the opportunities for private investors to buy government bonds. As payroll contributions increase, the demand of the security funds for government issues will grow, but it is obvious that it will take years to withdraw all federal securities from the hands of the public in this manner.

Apart from the social consequences of the preservation

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of a large tax-free class, the loss of revenue from tax exemption has long presented a serious problem to the Treasury. Recently published figures for 1933 placed the amount of securities completely exempt from the federal income tax at $31,000,000,000 and from the normal tax at more than $13,000,000,000. Since then the amount of both local and federal debt has increased greatly. Assuming a combined federal and local tax-exempt debt of fifty billions, the interest on this debt at a rate of 3 per cent would be one and a half billions. Most of this interest would be taxable at high rates, since the securities are held by banks and wealthy individuals. No satisfactory statistics of the amount and distribution of these holdings are yet available; until they are, the amount of lost taxes cannot be exactly determined, though it is probably somewhere between three and five hundred millions a year. Some authorities have claimed that the income tax now collected could be doubled, which amounts to placing the tax loss at around one billion dollars. At the very least it is evident that the revenues lost to the Treasury through tax exemption are far greater than those it will gain through the proposed new taxes.

As surtaxes are increased, the wealthier taxpayers find investment in tax-exempt securities increasingly to their advantage. Although the attempt to avoid taxes in this way may so increase the demand that the government can find a cheap market for its bonds, the Treasury's loss in potential taxes more than balances its savings in interest payments. As long as tax-exempt securities exist as a recourse for investors, a rise in tax rates may actually decrease revenue.

Although the strongest argument for tax-exemption is its supposed tendency to encourage the sale of government bonds, the last six months of Treasury operations have indicated that the credit of the federal government does not need the stimulation of such devices as tax exemption. The strength of the federal credit and the easy state of the money market make this a propitious moment for the removal of the exemption feature. Almost all the Liberty bonds issued to pay for the World War have been refunded, and the average annual interest rate on the federal debt has been reduced to the lowest point since 1916. Since January the Treasury has successfully completed some of the largest refunding operations in our history. One factor in this success, which should not be minimized, is the great increase in tax collections after 1934. If a genuine revenue-producing bill were passed, tax exemption would be unnecessary as a means of supporting the nation's credit.

Tax exemption has also promoted to a considerable extent the unduly large bank holdings of the federal debt. Federal securities held by banks now amount to well over 50 per cent of the total issued. Securities held by banks are taxed under the corporation income tax, which has been defined as a normal tax. Since United States securities are exempt from normal taxation, they are, of course, completely free of taxation when held by banks or other corporations. A slight increase in the corporation-tax rate, such as is proposed in the pending tax bill, will fail to reach corporation income from government securities. The increase in bank holdings of government securities is objectionable in many ways. First, if banks are obtaining a steady and safe income from federal securities, they may be unwilling to loan sufficient amounts to private industry during periods of credit uncertainty. Second, government bonds can be used as collateral for bank loans, which may lead to inflation, since the credit extended on these bonds as assets is a net addition to purchasing power, analogous to paper money. Third, since the government is at present so dependent for revenue upon the sale of its bonds, banks can easily become the most influential factor in the government bond market and thus exercise a coercive influence on government policies.

Taken together, tax exemption and the proposed payroll tax largely offset the progressive taxes on high incomes contained in the present tax bill. Emphasis on the latter will, however, undoubtedly be a main feature of the coming political struggle in the West, and the real nature of our tax system as a whole will continue to remain obscured. It will be claimed that we have taken the British road of high and progressive taxation to the longed-for goal of a balanced budget, although we shall have done nothing of the kind. It will also be said that the government has dealt large corporations a serious blow by a graduated corporation tax, but the extent to which this blow is weakened by tax exemption will not be evident. Tax exemption will continue to effect changes in business organization and investment practices by which taxes may be avoided. The absurd inconsistencies in the proposed revisions of the tax structure deserve intelligent and persevering criticism.

Inconsistency in the tax structure arises from confusion in underlying tax and economic theories. It is true that we cannot balance the budget without increasing taxes, but equally important is the fact that we cannot spread purchasing power without increasing the progression of taxation. We cannot successfully spend for recovery if the funds are obtained from taxes levied on the poor. At present the Administration favors spending for recovery and at the same time deliberately seeks to impede its own efforts in this direction by making use of payroll and excise taxes and by increasing the degree of tax exemption. The removal of tax exemption through a constitutional amendment as well as through the proposed tax bill would help to bring about more progressive taxation and eliminate some of these inconsistencies. It is to be hoped that President Roosevelt will see his way to hasten action on this much-needed reform, which would reflect a genuine effort to reduce tax evasion and modernize the American tax system.

Correspondence

The Farm Mortgage Moratorium Act

To the Editors of The Nation:

A great deal of misunderstanding exists as to the precise nature of the Frazier-Lemke Farm Mortgage Moratorium Act, of which William Lemke, Member of Congress from North Dakota, is the author, and which was decided to be unconstitutional by the Supreme Court of the United States on May 27, 1935. At the outset it should be remembered that this decision is not yet final. A petition for rehearing has been filed which cannot be disposed of before the first Monday in October. If that petition is sustained and the hearing is granted, the whole subject will be again open for consideration by the court.

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In the case in which the court passed on the act, known as the Radford case, the debtor owned a farm now appraised at $4,450. The mortgage on the farm amounts to approximately $9,000. Under the national bankruptcy act, as it existed prior to the Frazier-Lemke act, the debtor might have filed a petition in bankruptcy, lost his farm, and all his other property except $400 of personalty exempt to him as the head of a family, and have been discharged from the payment of all his debts. Such action on the part of the debtor would not have been of any benefit to the creditor, would not have increased the value of the farm, and the rental value thereof would have remained the same. Radford on the other hand would have gone on relief.

Instead of filing a petition under the national bankruptcy act Radford endeavored to obtain the benefit of the Frazier-Lemke Farm Mortgage Moratorium Act. But the Supreme Court of the United States decided that the holder of the mortgage had a constitutional right either to get the farm or be paid his debt in full, and that the Frazier-Lemke act which gave the debtor the right to retain his farm as a tenant for five years, in the meantime paying a rental fixed by the District Court, and which also gave the debtor the right to get back his farm by paying in cash the reasonable present value thereof, without regard to the amount of the mortgage debt and without the consent of the holder of the mortgage, was so unreasonable in its terms and so arbitrary in its provisions that it constituted in effect a deprivation of the property of the creditor without due process of law, in violation of the Fifth Amendment to the Constitution of the United States.

Radford contends in the petition for rehearing that, inasmuch as the court decided in the gold cases that individuals owing debts payable in gold could discharge such debts with paper dollars worth 60 cents, no sound reason exists why Congress, in the exercise of its constitutional power to enact uniform laws on the subject of bankruptcy, does not have the right to allow Radford to regain his farm by paying the reasonable value thereof, although such value is less than the mortgage debt and a sole creditor objects thereto.

Radford's note, the payment of which was secured by a mortgage on his farm, was owned by a single creditor. This creditor was demanding one hundred cents on the dollar or the farm, in payment of the debt. The Supreme Court, as already explained, decided that the holder of the mortgage had a constitutional right to make such a demand. The court also ruled that the creditor could not be deprived of such right by an act of Congress. But at the same time, the court recognized that under established principles of the national bankruptcy law, if Radford's note, secured by a mortgage on his farm, had been owned by three or more creditors, that situation would have produced a different legal result. In that event, a majority in number and amount, with the cooperation of the debtor and the approval of the court, might have compelled a minority to accept less than one hundred cents on the dollar. Radford claims that no sound reason exists for such a distinction between a debt owned by a sole creditor and a debt owned by three or more creditors. Accordingly, in order to protect the rights of corporations to adjust or scale down their debts, Radford asks that the farmers of the country be accorded a like right.

If the Supreme Court does not agree with Radford and grant him a rehearing, a serious situation may arise. An objecting minority of a group of creditors in a corporation reorganization proceeding might claim:

1. Under the logic of the Radford case, that the constitutional power to block a settlement was vested in a sole creditor.

2. Hence, that the sections of the national bankruptcy law enabling a majority in number and amount of the creditors of a corporation, with the cooperation of the debtor and the approval of the court, to compel a dissenting minority creditor to scale his debt is likewise unconstitutional.

Such a result would invalidate a horde of corporate reorganizations. These reorganizations affect property of a value in excess of billions of dollars.

The Frazier-Lemke Farm Mortgage Moratorium Act should not be confused with the act bearing the name of the same authors and relating to the refinancing of farm mortgages. This latter act, not yet passed, contemplates lending three billion dollars to farmers to aid in refinancing their mortgages. The Moratorium Act has for its purpose the reducing of the amount of the debt secured by such mortgages.

Washington, D. C., July 20 EDWIN A. KRAUTHOFF

The Case of Romero

TO THE EDITORS OF THE NATION:

At the end of May Manuel Romero, World War veteran, who has been for over thirteen years an employee of the Columbia University dining-rooms, was told that, inasmuch as the Horace Mann dining-room was closing, he would not be needed until the opening of the summer session. In former years he had been transferred directly from Horace Mann to the Teachers' College Cafeteria, which remains open all the year round. On July 5 Mr. Romero applied at the Teachers' College Cafeteria for the promised employment. He was told by Miss Reed, the manager, that he would be the first man called. One week later he returned, only to find that two new workers, non-students, had been hired and that he, obviously, was not going to be rehired. Miss Reed stated: "You are a Communist because you have joined the union. You are my enemy." Mr. Romero is the father of five children and the husband of a sick wife. Thus, by this arbitrary act, seven persons are deprived of their only means of livelihood.

A group of students representing nine student and professional organizations went to Acting Dean Del Manzo to inquire the reason for this abrupt dismissal after so many years of service to the university. Dean Del Manzo said that he accepted Miss Reed's explanation, namely, that Romero was "unsatisfactory." When asked if Romero had been inefficient, he said that no such accusation was made. When it was pointed out to him that Romero's "unsatisfactoriness" seemed to resolve itself into his being a union man, he averred that Miss Reed had the "right to hire and fire anyone she liked and that it was none of the students' business anyway." However, he referred us to Miss Reed.

Miss Reed immediately threatened the delegation with "ejection by an officer." She shouted that on no condition would she rehire Romero.

After calling mass-meetings which in their turn sent protest resolutions and delegations to the Dean and Miss Reed, the students instituted a boycott of the cafeteria, which to date is 33 per cent effective. Mr. Romero, always accompanied by one of his children, is picketing Teachers' College at meal times. The subject is under discussion all over the campus. The problem of "the teacher and the social order" has emerged from the syllabus of the course of study into reality. Following hard upon the Medical Center cases and the revelations concerning the Casa Italiana made in *The Nation*, this case is but one more step on the road to fascism at Columbia University. All those who wish to stop this advance should send protests to Acting Dean Del Manzo and Miss Elizabeth Reed, Teachers' College, Columbia University, New York City.

COMMITTEE FOR THE REINSTATEMENT
New York, August 10 OF ROMERO

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Negroes at C. C. N. Y.

To the Editors of The Nation:

Last spring Welford Wilson, star track man of the City College team, underwent a harrowing experience of Negro discrimination at the Penn relays. Open hearings revealed the glaring prevalence of discrimination at the college.

For many years the "Jim Crow" policy of the administration has gone unchallenged. Negroes have never worked in the recorder's office, in the bursar's office, or on the curator's staff. Negro athletes have been discriminated against in competing for varsity berths and in representing the college in certain extramural athletic contests. There is not one course offered which gives the history of the Negro and colonial peoples. Never has the administration permitted a Negro to join the staff or faculty of the college.

This term a broad movement has developed among the Negro and white students, supported by outside organizations, to win jobs for Negro students and teachers. The Provisional Committee has already secured the indorsement of the National Students' League, the Student League for Industrial Democracy, the St. James Church, the Mother Zion Church, the New York Branch of the Urban League, and other organizations. We are urging qualified Negro instructors and professors to apply for positions at the City College. The Provisional Committee is anxious to secure carbon copies of applications and all correspondence with the college authorities in reference to these jobs. All interested are asked to get in touch immediately with the committee.

New York, August 7 Jerry Johnson,
for the Provisional Committee

The Bremen Incident

To the Editors of The Nation:

I was quite sure that you would editorially be worked up about the demonstration on the Bremen. My regret is only—and I do not speak as a Communist, for I am not one—that the demonstration was not more effective and that the flag was not torn into shreds before being tossed into the sea.

And you are quite mistaken in assuming that such incidents injure the anti-Nazi cause. Quite the contrary. Such things penetrate even into Germany, give the people some idea of how foreign nations feel about their government, cheer the rebellious spirits, and give them more courage to resist the gangster government.

New York, August 1 William J. Robinson, M.D.

Japanese Land Control

To the Editors of The Nation:

Mr. George West seems to have misunderstood my recent article on the Japanese in California. I did not deny "the truth" of any statements made by Mr. West, but I did deny the correctness of his conclusion that the Alien Land Act has "effectually stopped Japanese land ownership." The Alien Land Act has, so far as record ownership is concerned, effectually stopped ownership of land by alien Japanese; but surely Mr. West does not think that it has thereby prevented alien Japanese from controlling and, by various indirections, actually owning land in California. If he thinks so, I can only repeat that he is mistaken. Mr. K. Mukaeda, president of the local Japanese Association, recently testified in a public hearing in Los Angeles that the Japanese control 70 per cent of the vegetable and 90 per cent of the berry-production acreage in Southern California. The fact of Japanese ownership and control of farm land in Southern California is apparent to anyone who has eyes and drives an automobile.

As to the other points: (1) I mentioned Mr. West's article for the reason that I wanted to show the persistency of Japanese prejudice, which flamed into existence shortly after an excellent California journalist had pronounced it to be dead; (2) I omitted mention of the defeat of the anti-Japanese legislative program because these measures had not been defeated when the article was written.

Few informed Californians have ever questioned Mr. West's "reputation for accuracy." I am sure that I never have. A fact is one thing, a conclusion another.

Los Angeles, August 8 Carey McWilliams

Fight for All or None

To the Editors of The Nation:

In your issue of July 17 you condemned me editorially for holding "it the duty of religion to support war to repel an enemy." I was disappointed to learn that you would pass judgment on any question or individual without first learning the facts. If you had taken the trouble to secure information by writing to the person involved you would have found that I objected to a proposed reservation to the peace resolution, the reservation being "except in case of invasion of continental United States."

My contention was that we could not morally justify an exception of a selfish nature. The ethics of religion demand that we pursue an aggressive policy of justice for our fellowmen as well as for ourselves. If military force be accepted as an adequate and appropriate means of repelling an invader of our land, then it should be used also in defense of a neighbor nation against a similarly wicked attack. It might also be used to forestall an invasion of our land. If, on the other hand, brute force should properly be eliminated as a means of solving difficulties between civilized nations, there should be no need, and there could be no logical or moral justification, for resorting to it in accordance with the reservation.

Milwaukee, August 7 Joseph L. Baron

State-Endowed Music

To the Editors of The Nation:

It is to be hoped that the state-endowed music referred to in your current issue will ultimately attain permanency. As at present constituted, all music projects partake of the temporary nature of the entire work-relief program, which means that musicians will again be unemployed when funds for professional workers are exhausted.

The choice of Dr. Sokoloff as head of the national undertaking is an assurance of the highest standards and its consequent success. With his background of knowledge and experience he may be able to convince the authorities that it is just as important to have state-endowed music as it is to have a national theater and municipally supported art galleries.

If Dr. Sokoloff keeps hammering away at the idea of subsidized music, it may eventually be looked upon as something more than a mere war-time measure to keep up the morale of the nation.

Philadelphia, August 12 David Dubinsky

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Labor and Industry

Sponsorship

By HEYWOOD BROUN

GEORGE JOABY drank Napoleon brandy from a fragile glass and remained disconsolate. The deal had been a bad one any way you looked at it. If he had only stuck it out another twenty-four hours this dreadful bargain would not be hanging over his head. With a shudder he noted the smell of something burning, but it was only his cigarette which had fallen upon the thick carpet.

Only a day after he signed the ridiculous bond Consolidated Truffles had come along with its offer of sponsorship. And really he didn't believe the man had anything to do with that. It was just a coincidence. Lots of people had said he had a good radio voice long before he got into the big money. What possible proof was there that he hadn't done it on his own?

That was certainly true of the opportunity which came to him to do those indorsements of that motor truck. He got that job through meeting the advertising magnate down at Great Neck one week-end. The magnate said that anybody who could tell such funny stories certainly ought to be able to write advertising copy. And it was himself, George Joaby, man of letters, who posed the picture and wrote the caption. After they got done with the newspapers and the magazines they even used it on the billboards —there he was at the wheel of the truck with the snappy slogan "I'se sitting pretty."

And nobody could deny that. Publishers said the sale of the little book was phenomenal. It was marvelous, they said, for a book of "that type" to do so well. George was getting a little impatient with the recurrence of the phrase "that type." He had never pretended that the thing was profound, but it had wit and a brilliant style, and a good many of his radio listeners had written in to say that the piece about the cat made them cry. After all, there was his radio public, and perhaps it was true that to just a slight extent he had pushed the book over the air. But only in a joshing way. Why shouldn't it be a best-seller? Certainly that triumph was not based on the fearful bargain he had made only a year ago.

The chance to do the biography of that banker was certainly not the result of any black magic. That commission was one he could honestly say he got on his own. The same could be said for the part he took in the film. They were trying to make it a sophisticated picture and they needed his name. He didn't think his charge had been excessive. And now the money was rolling in from every direction. The cigarette company merely wanted him to pose blowing smoke rings in the face of a pretty girl. And that would be easy money, too. But what should it profit a man if he gained the whole world only to lose—and George Joaby writhed in anticipative agony. He was alone in his library but he spoke the words aloud, "Whatever possessed me to sell my soul to the Devil?"

"That's what I want to know," said a well-remembered voice. Joaby looked across the room. The Devil in a dinner coat was sitting in the big leather chair.

"I gather," continued the visitor, "that you resent the little bargain we made a year ago, eh what?"

"I maintain," George said a little stiffly, "that I was cheated. You gave me nothing but a promise of success to come, but as I look back at my triumphs of the year they were all honorable and achieved without your lifting a little finger. I suppose you don't pretend to be a radio agent, or are you going to tell me that it was your fine hand which got me the contract with Consolidated Truffles?"

"I hear you perfectly," said the Devil, cupping one hand after the manner of a man in an ad of an ear trumpet which George Joaby had never indorsed. "We are, I trust, gentlemen, discussing without rancor a little matter which concerns us both. I have no intention of asserting that I gave you your broadcasting ability. You were born with that. It came, if you like, from God. I have listened myself with very great pleasure. If you're not sick of compliments, may an old fellow tell you that he sincerely admires your smoothness. Your voice has a silken quality. Did you ever know a fellow called Faust? No, of course you wouldn't. How time flies! But there was a decided vocal resemblance. Good fellow, Dr. Faust, but there was, as I remember, some scrape with a girl."

"I trust," said George Joaby, "that you didn't come here tonight to sneer at me. I'm not in the mood and in just an hour and a half I'm on a national network."

"One of your little ghost stories?" the Devil inquired. "You really have quite a flair for the horrible."

"Did you come here to talk business or not?" interrupted George. "Frankly I want to be quit of our contract."

"Now that is a coincidence," said the Devil, "because as a matter of fact so do I. You must appreciate that it is a little irregular. If you had come to my office you would have observed the very large sign which reads, 'No mistakes rectified after leaving the window.' But this case is different. Please don't take it amiss but I don't want your soul."

"And why not?" asked George Joaby, flabbergasted.

"Because," said the Devil, "I have always made it a principle to deal in exclusive rights. I have never been content merely to hold an interest. In good faith I bought your soul, but the very next day you sold it all over again to Consolidated Truffles, and the next week to the Mammoth Motor Truck Company, and now I foresee that you are about to dispose of it to a cigarette company. I could sue but I prefer to buy my way out of the bargain." And with that the Devil laid upon the table thirty small white coins.

"That old thirty-pieces-of-silver gag?" asked George Joaby in a mixture of relief and irritation.

"No," said the Devil, "not exactly. I'm following a form and also pointing a moral. In the morning you will find that those coins are familiar coppers. I'm sorry to say that at the moment they are white hot since they've come through my fingers. Restrain, then, your eagerness and don't snatch even though it is money."

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Our Shrinking Cotton Trade

By FRED C. KELLY

IN the course of a recent jaunt over the country, I stopped in Dallas, Texas, and went to call on an exporter in the Cotton Exchange Building.

"He's gone to Brazil," a clerk told me.

I went to the floor below in search of another acquaintance who might be able to tell me what was going on in cotton. He too was in Brazil. I made two or three more calls, only to find that all the important key men had journeyed to Brazil.

"Why all this exodus to South America?" I inquired.

Oh, I was told, one must live. These men have always made their living by selling cotton to foreign countries. It is the only business they know. If they can no longer sell American cotton, then they must find other cotton to sell. Because American cotton, pegged by government action at 12 cents a pound, is too high for foreign buyers Texas lost one-half of its export cotton business within the last year. Much of this trade has gone to Brazil, which has increased its cotton production from 300,000 bales three years ago to more than one million bales this year. The growers there have been plowing up coffee lands and planting cotton, but still they cannot supply the demand. They are handicapped by lack of ginning facilities. When American cotton dealers went from Texas to Brazil in quest of a share of this new business, the Brazilians said: "We can't give you all the cotton you want until we have more gins. Now if you would care to invest in gins, or lend us money——" The Americans took the hint. And so it happens that American capital is today helping to make Brazil a formidable competitor of America in the world cotton trade.

But Brazil is not the only country. When the United States government arranged to reduce cotton acreage by one-third and paid money to farmers for the cotton they did not plant, many farmers reasoned this way: "I have always wanted to go to Mexico, where labor is cheap, and raise cotton. But I never had enough money to go there and finance myself. Now I can take this government money and start growing cotton in Mexico. I can't sell American cotton abroad at 12 cents a pound, but maybe I can make a little money selling Mexican cotton at the world price." Again American money is creating more foreign competition for American cotton.

Texas is beginning to feel sharply the effects of this declining trade. Ninety per cent of the cotton grown in Texas has been for export because the cotton in other states is nearer American markets. Now half of this trade is gone. This loss affects not only tenant farmers and laborers, who are no longer needed, but employees in ginning establishments and clerks in exporters' offices. It reaches into numerous allied industries. Even the telephone business feels it. In one office, I was told, toll charges which used to amount to $10,000 a year will be less than $2,000 this year.

A few figures obtained from one of the former big exporters in Dallas tells in part the story of the decline of American cotton in world markets. For ten years, from 1919 to 1929, average annual consumption of American cotton throughout the world was 13,161,000 bales, and of foreign-grown cotton, 8,842,000 bales, or 60 per cent American and 40 per cent foreign. After the entrance of the Federal Farm Board into the cotton situation in 1929-30, the percentage of American cotton dropped to 52, and a year later it was below 50—the first time since Civil War days that the consumption of foreign-grown cotton exceeded that of American cotton. Estimates for the season of 1934-35 indicate that American cotton will constitute only about 48 per cent of world consumption. On this basis American cotton used both at home and abroad would amount to only about 11,640,000 bales. If we were still furnishing 60 per cent of all cotton used, our share of the world cotton trade would be 14,550,000 bales. In other words, we have lost to foreign competitors about 3,000,000 bales. In England alone the consumption of American cotton during the last six weeks of 1934 dropped 68,000 bales below the figures for the previous season; yet the total consumption of all kinds of cotton in British mills remained almost the same.

This decline in cotton exports is not to be accounted for by the increased use of cotton at home. In 1933 about 6,122,767 bales of cotton were used in the United States; in 1934 consumption dropped to 5,320,334 bales, though domestic consumption of most other commodities was increasing. This decrease was probably due to the processing tax on cotton, which encouraged greater use of other, tax-free, fabrics, such as rayon. In other words, at a time when we were unable to sell our former share of cotton to foreigners, and when more families were in need of cotton goods than ever before, the consumption of cotton dropped as a result of our recovery program.

The decline in cotton exports cannot be explained, either, by citing the difficulties of foreign exchange. If foreigners had quit buying because they could not obtain dollars to make payments, then surely other exports would have shown similar decline; the truth is that the export of most commodities showed a considerable increase in 1934 over 1932 and 1933.

Foreign trade in American cotton formerly provided employment for 2,000,000 Southern families as farmers and laborers—in ginning, compressing, storing, the milling of cottonseed oil, transportation, and merchandising. The loss of much of this trade, perhaps forever, helps to explain why a shockingly high percentage of people in the South are on relief. Add to this the fact that a new mechanical cotton-picker is now available capable of doing the work of from 75 to 100 men and the plight of the Southern worker becomes apparent. The situation is becoming so serious that many people in different parts of the South, especially members of college faculties, are talking of collectivization of farm lands as perhaps the only solution. The state or national government, they say, will have to take over the land and produce cotton for domestic use at prices low enough to permit its consumption on a grand scale. Just how this could be done without interfering with competing industries is not explained.

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When I left the Texas cotton region and entered the cattle country, I discovered that cattle men didn't like the cotton program any better than the cotton dealers did. With less cotton planted, cotton-seed has advanced in price. It would have advanced anyhow because of another phase of the government agricultural program. With bonuses to encourage the raising of fewer hogs, there is less animal fat available and this has forced a greater demand for cotton-seed oil. This in turn means higher prices for cotton-seed cakes, an important item of food for cattle. As far away as Wyoming, D. L. Whitaker, the president of the Wyoming Stock Growers' Association, told me he is facing a deficit for the first time in forty-three years of ranching because of the high prices of feed. As a result of the artificially high cost of feed in this country, he added, a vast amount of canned beef is being shipped to the United States from the Argentine, and cattle on the hoof are coming in from Canada and Mexico. Cattle men, so long as feed is too high-priced to allow a profit on their cattle, cannot afford to pay more than $1.50 a day for labor, and they complain that men now on relief work, at relatively decent wages, are reluctant to forsake relief and accept this unalluring private employment.

Reduction of cotton acreage is not giving people more cotton fabrics any more than higher prices for food are giving people more to eat. Neither is it giving people in the South more employment. Evidently the planners at Washington did not fully foresee the results of their cotton program. Maybe they did not see farther than getting farmers a better price for cotton. The results appear to have been of even greater benefit to Brazil. People in the South with mobile capital who could move to Brazil have been able to adjust themselves to the new situation. But what of the tenant farmers and laborers, the cattle men, and all the other workers and industries directly or indirectly affected? The whole program seems to have had a string of consequences not always favorable to the forgotten man. It almost looks as if there might be something just a wee bit awry.

Labor Notes

From 4,600 Strikers

THE following appeal comes from the 4,600 shipworkers of Camden who have been on strike for fourteen weeks. The issues involved in the union's controversy with the New York Shipbuilding Company, with which the Navy Department has contracts amounting to $50,000,000, were fully discussed in *The Nation* of August 14. Conferences are now in progress in Washington looking to a settlement; its terms are of special importance to organized labor because the company is determined to break the union, the government is an interested party in position to enforce its labor policy, and union recognition is a primary issue.

> The Camden strike is not merely a dispute between one company and its workers concerning wages and hours. The Shipbuilders' Council, backed by the most powerful open-shop organization in the United States, the Iron and Steel Institute, is fighting us with their millions to break unionism not merely at Camden and the shipbuilding industry, but in all basic industries. If we can win this strike, we shall have defeated the strongest organization of capital in this country. If labor can sink its differences and present a united front, it will have taken a great step in building up a defense against the otherwise unbeatable forces of these great corporations. Newspapers all over the country keep reporting that the strike is almost over. This is not true. Telegrams from Camden keep warning, "Disregard news reports. Strike still on." These newspaper reports are a part of the propaganda spread by the shipbuilding corporation. Our chief need is financial assistance. In most families fourteen weeks on strike means the end of all resources. Our commissary is supplying more than 1,900 meals a day. Now is the time that the New York Shipbuilding Corporation expects to be able to break the strike. Will you help us by sending your contribution immediately to the Industrial Union of Marine and Shipbuilding Workers, 572 Fairview Street, Camden, New Jersey?

Bulletin from Terre Haute

THREE HUNDRED patriotic merchants, realtors, and professional men in Terre Haute have formed a "law and order" group to prevent the recurrence of a general strike. They have proposed the formation of vigilance committees, the passage of an anti-picketing ordinance, and the employment of war veterans at a dollar a day to prevent violence caused by "outside agitators." The president of the local gas company told members of the new organization that they must be prepared to sacrifice their lives if necessary. Since the war veterans are to be hired, it may be assumed that the dying is to be done by proxy. The outlook for industrial peace in Terre Haute is gloomy indeed. If the strike at the Columbian Enameling and Stamping Company is settled by federal or state conciliators, there will remain the "law and order" men, who intend to perpetuate the open shop by keeping labor so intimidated and inarticulate that government conciliators will never hear of Terre Haute again. If the remaining companies of national guardsmen are removed, civil liberties still face the merchant fascisti, who will apparently have very nearly full sway. The city administration will not interfere. In fact, the mayor was one of the most vociferous orators at the first "law and order" meeting. The chief of police has already declared war on all soap-box orators.

Contributors to This Issue

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FRANK C. HANIGHEN collaborated with H. C. Engelbrecht in writing "Merchants of Death."

LEWIS COREY is the author of "The Decline of American Capitalism." The articles appearing in this and the two preceding issues of *The Nation* are chapters from his new book, "The Crisis of the Middle Class," which Covici-Friede will publish in September.

WILLIAM WITHERS is a member of the Department of Economics at Columbia University and the author of "Retirement of National Debts."

FRED C. KELLY was the first syndicated Washington columnist—twenty-five years ago. He contributes regularly to magazines and has written numerous books.

REINHOLD NIEBUHR is professor of applied Christianity at Union Theological Seminary and the author of "Reflections on the End of an Era."

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Books

Allegory for Our Time

Land Under England. By Joseph O'Neill. Simon and Schuster. $2.

ALLEGORY is a form that has become so obsolete in our time that when we suddenly reencounter it, as in this astonishing work by an Irish philologist and educator, we are at a loss to explain the nature of our response. This is undoubtedly the explanation of the very confused expression of approval with which Mr. O'Neill's book was received in England. Because it is so unlike the general run of sentimental and realistic fiction of the last few decades it was referred to as if nothing quite like it had ever before appeared on the literary horizon. Yet Mr. O'Neill himself, who as a Catholic probable knows his Dante, and as an Irishman his Swift, shows no such unawareness of the literary tradition. His book is an allegory of the most conventional type. (It should for this reason be distinguished from the "scientific romances" of Butler and the early Wells, which take us from the symbolical to the merely descriptive realm.) Like most of the best-known allegories of the past, it is capable of being read on three distinct levels of interpretation—the literal, the political, and the philosophical. The only questions for criticism would be whether it can be read on each of these levels with equal interest and whether all three are successfully fused in the whole.

To begin with the most superficial of them, the narrative records a journey underground to a land of strange and horribly dehumanized beings, whose dress, customs, and political temperament suggest a race descended from the legions of imperial Rome in Britain. In the opening chapters one of the last representatives of the Julians, a Yorkshire family with a tradition of Roman origin, returns from the war, which has had a sterilizing effect on his personality, and engages in a long search for the secret entrance to the legendary land that lies under England. He disappears; and his son, a technician unmotivated by any dreams of returning to ancestral securities, goes in search of him. Descending through a hole in the Roman Wall, he passes through a Dantesque region of sunless cliffs and caverns, peopled by enormous toads and spiders, until he comes finally to a Roman trireme manned by the ghost-like inhabitants of the place. He is then permitted to visit their houseless cities, their schools, and the sanctuary of the great Master of Will and Knowledge, whose function it is to see that everyone finds his proper place in this vast soulless commonwealth of phosphorescent darkness. Human speech is unknown because the will of the one is perfectly identified with the will of the many; all communication is by a kind of instantaneous telepathy. Education consists in "mind-murder," an eradication of all will and desire from the minds of the young so that they will offer no resistance to the role that is assigned them by the state. The society is hierarchic but all classes are united in a common subordination to the social will. Technology is at the stage at which it was left by the Romans. The people eat, work, and sleep in great roofless "compounds." Beyond this Mr. O'Neill does not go in filling in his picture; no mention is made, for example, of the relations between the sexes, although one cannot but wonder how such automatons manage to propagate themselves. The concrete imagination is more lively in the description of the miasmal swamps through which the hero makes his escape, away from the father whom he has found even more incurably "absorbed" than the others, and back to the confused sunlight of modern England.

It is not necessary to puzzle over what all this may or may not mean on the political plane. With an explicitness into which Swift would never have lapsed, Mr. O'Neill uses the words fascist and Nazi in one of the closing passages of the book. It is clear that as Dante put the Neri in an appropriate section of hell this Irish Free State official is properly disposing of the varicolored O'Ryans and Mosleys. His subterranean breed of voiceless robots is the product of a rigorous fancy which would reduce the fascist ideology to its most logical consequences in terms of human will and personality. Yet it is too striking not to be recorded that what is most curious in all of Mr. O'Neill's account of life under England is its basic similarity to so much of the life over England. And by England one means all of that modern bourgeois democratic society which Mr. O'Neill seems to accept as an alternative. Between the mass mind of the submerged Romans and the mind of England in this year of the Jubilee, between the schools for mesmerizing the young and the Hearst newspapers, there is not really much choice. The English critics have forgotten that the late D. H. Lawrence spent most of his life writing about that "warm and sunlit" England in exactly the same way that Mr. O'Neill writes about the dark lands underground. The conclusion to which one is forced is that all states, in so far as they represent something external, tend to extinguish the individual personality. It may be only inveterate romanticism which makes Anthony Julian believe that the air into which he escapes is altogether free and pure.

This is to say that it is as an allegory in the most abstract sense, that is, on the philosophical plane, that Mr. O'Neill's book can be read with the greatest pleasure and satisfaction. It proposes again the ultimately insoluble problem of the relationship between the individual and the world. More exciting than the physical adventures of its hero, more convincing than its demonstration of a particular kind of social organization, is its restatement of the paradox by which the highest assertion of individuality is always accompanied by the deepest sense of social isolation. The most moving section in the whole book is that in which Anthony Julian, unexpectedly released by his captors, wanders through a swamp in such loneliness that for want of some animate company he throws his arms around a tree trunk. This is the real meaning of the book—the old conflict between isolation and absorption that has occupied thinkers and artists since the beginning of time. As for its political solution, the alternatives are probably never so drastic as they are here made, never a choice between the hypnosis of fascism and the day-dream of democracy. The individual needs some background against which to see the outline of his shadow: the real alternative would be a society which would give him a chance to measure that shadow.

WILLIAM TROY

Tall Timber

Honey in the Horn. By H. L. Davis. Harpers and Brothers. $2.50.

AT the time when the *American Mercury,* with Mencken at the helm, was going in for local color, for rough-hewn, native American pieces, H. L. Davis and James Stevens were the lone, literary ambassadors from the tall timber of the Pacific Northwest. With the passing of this initial, somewhat forced growth of "indigenous" writing, the prose of Mr. Stevens and the poetry of Mr. Davis suffered an eclipse. Now, however, Mr. Davis has received the 1935 Harper Prize award for "Honey in the Horn," a novel so reminiscent of the Paul Bunyan stories as to bring nostalgic tears to the eyes of an old reader of the changeling *Mercury.*

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"Honey in the Horn" is not a fantasy; its boy-girl plot is unrolled in straight, realistic fashion; yet in its use of hyperbole, its full-blown, homely metaphors, its poker-faced humor, it bears a plain family resemblance to the tall tales Mr. Stevens used to tell. As a novel it is a flat failure; its virtues are those of a folk tale; its value is anthropological.

The period of Mr. Davis's novel is the early nineteen hundreds; the setting is the state of Oregon, from the homestead farm lands in the east, through valley hop fields and mountainous grazing land, to the Indian fishing villages on the coast. As comprehensive as an encyclopedia article is Mr. Davis's study of the customs, characters, and occupations of the Oregon settlers. Imbedded in each chapter are chunks of historical information. There are dissertations on agriculture, on hunting and fishing, on Indian tribal customs; and a million varied human specimens are on display, earmarked, well catalogued, like livestock at a county fair. Storekeepers, sheriffs, harvest hands, strike-breakers, Indian bucks and squaws and whores, wagon trains of migratory settlers, gamblers, horse traders, gun-toting desperadoes elbow each other for space in these hard-packed pages. It is from these myriad thumbnail characterizations, in which each individual, though briefly glimpsed, is so highly colored that he seems like the hero of a minor saga, from the literal descriptions of flora and fauna, from the occasional bright nuggets of rustic philosophy, that the novel gets its modicum of life. Unfortunately, this blend of folklore and history is presented not for its own sake but simply as a backdrop for a faltering, mystery-romance story involving a pair of lovers. The heroine is a beautiful, savage, straight-shooting adolescent; the hero, a morose, untutored boy of seventeen, whose character is so amorphous that it persists, at odd moments, in merging with that of the author. These personalities, thinly imagined, indistinct, are too weak to support the mass of detail with which the book is stocked, and what might have been an entertaining non-fiction portrait of early Oregon becomes a tiresome, maladroit novel. The unflagging, chest-thumping virility of Mr. Davis's style does nothing to give his book either distinction or interest although his prose transcription of the Western drawl is occasionally amusing.

MARY MCCARTHY

A Catholic Liberal

Thomas More. By R. W. Chambers. Harcourt, Brace and Company. $3.75.

PROFESSOR CHAMBERS, a specialist in sixteenth-century English history, has performed an invaluable service in this timely biography of Thomas More. The study of More's life is timely because it marks the four-hundredth anniversary of his death at the hands of Henry VIII and his recent canonization by the Pope. The biography justifies the canonization of More as a Catholic saint and also explains the tardiness of the church in recognizing him as a saint. For More was a humanist, a Renaissance scholar, and an internationalist. He was in fact a Catholic liberal; and his liberalism seems to have retarded his ultimate recognition even as his martyrdom for the Catholic faith seems to have made it inevitable. Tardy or not, the Catholic church chose an opportune time to raise him to the company of saints. More died protesting that he was "the King's good servant but God's first." Those words have a unique relevance to the modern European situation, where, particularly in Germany, Catholicism has again become a bulwark of the individual conscience against the claims of the totalitarian state.

Professor Chambers's book, which combines a meticulous scholarship in details with profound insights into the meaning of the dominant historical forces of More's era, is chiefly designed to prove that More was not the paradoxical figure and the creature of antithetical moods delineated by most of his biographers. It is true he was both a Renaissance scholar and an English lawyer; both an intimate friend of the internationalist, Erasmus, and the courtier of Henry VII, the author and instrument of a rising nationalism; both a semi-ascetic who wore a hairshirt to his dying day, and the Lord Chancellor of England; both a preacher of tolerance and a judge of heretics; an advocate of divorce in his "Utopia," who lost his head because he would not sanction Henry's divorce of Catherine.

While Professor Chambers does not resolve all these contradictions he does make the thesis very plausible that they are derived from a perfectly unified world view, the view of the Catholic liberalism, known as humanism, of which Thomas More was, next to Erasmus, the most brilliant exponent. If, in his Utopia, men are guided purely by the light of reason, that does not mean, according to the biographer, that More wanted to dispense with the Catholic faith. It meant only that he followed the theory of medieval schoolmen that men are guided by the natural law of reason and that the insights of the Christian faith are added to this natural law. The thesis of More's Utopia was: The Christian nations are condemned by the fact that the light of reason alone ought to guarantee a greater justice than they have achieved. He did not draw the conclusion from this argument which the eighteenth century would have drawn and did draw. He did not desire the elimination of faith. The equalitarian tendencies of his Utopia are ample proof that his ideal commonwealth was not modeled after Plato. Plato and Aristotle taught that inequalities were natural and inevitable. Catholic theologians followed the Stoics in a rationalistic equalitarianism, which they relegated, however, to a Golden Age.

The fact that More opposed Henry's papal tendencies in the first part of his reign and lost his head later because he would not accept Henry's usurpation of the spiritual headship of the church—that too is not an inconsistency. "The essential thing is that More warned Henry against committing himself too much to the Italian ruler who is 'a prince as you are'; and then also gave his life for the spiritual primacy. In this, as in almost everything else, Henry is the exact antithesis of More; Henry devoted the first half of his reign to promoting the interests of the 'small Italian princedom' and the second to destroying the spiritual primacy." Professor Chambers's contention that some of the misunderstanding of More is caused by the judgments of later "liberals" whose liberalism was informed by the new nationalistic and foreigner's influences, whereas More's liberalism thoroughly conformed to medieval presuppositions, not only is convincing but gives valuable clues for the understanding of subsequent history.

However great the difference between More's type of medieval liberalism and that of the eighteenth and nineteenth century, the two are similar in the pathos of their disappointed hopes. Upon the accession of Henry VIII to the throne one of the followers of Erasmus in England wrote: "Heaven laughs and the earth rejoices; everything is full of milk and honey and nectar. Avarice has fled the country. Our king is not after gold or gems or precious metal but virtue, glory, and immortality." The sorry realities of Henry's reign stand in the same relation to this naive estimate of his virtue as does the present state of the world to the high hopes of the eighteenth century.

Professor Chambers has not only given us a convincing picture of a great character but he has thrown light upon the whole sixteenth century and in addition he has made its issues relevant to our own.

REINHOLD NIEBUHR

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Analysis of Renoir's Art

The Art of Renoir. By Albert C. Barnes and Violette De Mazia. Minton, Balch and Company. $5.

ALTHOUGH Renoir is acknowledged to be one of the two greatest modern painters, there was no study of him available in English until the publication of this book, which undertakes a sustained analysis of his development and of his relations to the traditions in which he was so deeply rooted. One who is acquainted with the authors' previous studies and with their educational work at the Barnes Foundation can think of no one better qualified for the task. The result of their research is a serious technical job, addressed to the task of objective analysis and exhaustively documented.

The first part of the book is given up to a statement of the method which guided the authors in their work. Much of this will be familiar to the student of aesthetics and to those acquainted with the introductions which the authors have written for their two previous volumes or with the more extended statement of his principles which Mr. Barnes made in "The Art in Painting." The second part of the book consists of a minute study of Renoir's development from 1860 to 1918. The "apotheosis" of this growth is found to have taken place in a Bathing Group, of 1916, and the analysis of this picture (pages 144-150) is only one illustration of the fact—evident throughout the whole study—that the authors react more sensitively, more fully, and in a better-integrated manner to aesthetic values in painting than any other contemporary writer with whom the reviewer is acquainted. This second part is supplemented by an Appendix, containing some eighty single analyses of important canvases of the master, and by 158 illustrations. A study of Renoir's relations to two great traditions of European painting—the Venetian and the eighteenth-century French—follows the inquiry into the development of Renoir's form. Here the authors seek to demonstrate that in the integration of the plastic values of his canvases through color, in his imaginative handling of light, which infuses bright and dark colors alike and thus replaces the Venetian soberness and density, in the spontaneity of his drawing and in the rhythmic interdependence of the whole composition, through which Renoir achieves a dynamic organization of solid volumes in space—in short, in every important respect, Renoir carried the traditions from which he stemmed to "expressive and decorative heights never before attained in the history of painting." What made such success possible was Renoir's endowment of unsurpassed technical resourcefulness, plastic imagination, and a perennially fresh interest in the world.

But even if one should disagree with the high estimate of Renoir at which the authors arrive, the central value of the book would remain unimpaired. For its value does not depend upon ex cathedra dicta regarding the order of rank of Western painting. Its value lies chiefly in the manner in which the method is applied to compel the reader to carry on a personal inspection of Renoir and of the artists to whom he is related. What they point to in concrete terms one may find in the canvas, if one knows how to look at pictures; but the value one may put upon it will certainly vary within a wide range.

And yet the work has a much wider implication, and other important practical uses besides. For in their conception of growth and of perception, which the authors have borrowed from Dewey and which they have adapted to the aesthetics of painting, they furnish us, it seems to me, with the only basis upon which the vital art practice of any period can be adequately defended against the protean attacks of the philistines. The old philistinism attacked modern painting because it refused to use only those forms which were approved by officially consecrated mediocrity. The new philistinism is too sophisticated to phrase its objections in the old terms. But at bottom its attacks amount to the same thing. Contemporary painters are being told that it is time to quit experimenting and to begin to consolidate the technical gains of the last seventy-five years. But what they are really asked to do of course is to give up their integrity as artists. Experiment is of the very essence of art. Artists who have no need to experiment have ceased to grow, and are, for all artistic purposes, dead. Analysis such as is found in this book is the most effective answer to the truculence of the new philistinism. For this analysis demonstrates objectively and by concrete citation what aesthetics can only state in very general terms, namely, that the so-called regionalist, the political, and such other contemporary movements in painting, in so far as they emphasize literary content at the expense of plastic values, lead in the end to artistic suicide. And as a corollary this book also serves to demonstrate in a concrete and objective fashion that while the painter expresses not only the purely visual aspects of his world but also whatever human values may inhere in the visual, he can express the latter only through his plastic means, nor can the manner of expression and the values expressed ever be thought of by the painter as distinct. There is nothing new about all this. But in the light of the current popular fallacies which infest criticism and seem even to affect the practice of the artists, it is today very much in need of reiterated demonstration.

ELISEO VIVAS

Mr. Justice Cardozo

Mr. Justice Cardozo: A Liberal Mind in Action. By Joseph P. Pollard. The Yorktown Press. $3.

THE liberal judge resembles the liberal in politics chiefly in a genuine open-mindedness toward both sides of an issue. He is able to see that a rule which applies to an employer should also apply to his workmen, even though it favors them. But in such impartiality, which is rare enough, the resemblance ends. The judge cannot be militant to right an uneven balance. His law-making power, now no longer covert, is still interstitial within a private-property profit system, and generated only in the occasional case. Usually he must defer to the legislature or refer a large wrong to its remedial wisdom. But in interpreting statutes already passed, his liberalism typically consists of an unliteral fidelity to their widest social effectiveness.

Cardozo has been preeminent in implanting his own insistence "that the judge is under a duty, within the limits of his power of innovation, to maintain a relation between law and morals, between the precepts of jurisprudence and those of reason and good conscience." He has been admirably unpharisaical, but neither as forward-pressing as the pragmatic bent of his thought would seem to vouchsafe nor as willing to subordinate law to ethics as his revolt against insulated legalism, and the non-pragmatic recognition of a distinction between intelligence and goodness, would augur. Still one would wish to see revised editions of his trilogy of jurisprudential writings, since none of the lawmen have been so willing as he to go beyond a previous cast of thought or expose to scrutiny the judicial technics.

Mr. Pollard's book is no philosophic presentation of Cardozo's thought but consists almost entirely of a quilting of his decisions in various areas—personal injury, family strife, crime, labor troubles, business and government, et cetera—with just enough dilution to admit lay intelligibility. This critical arrangement reveals peculiarly the tenor of Cardozo's mind and his influence on New York law. It also reinforces

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sharply the need for acquaintance with the mind of the dominating judge if one is to know the law in the realistic sense in which Holmes defined it—as prediction of what the courts will do in fact. A political scientist reading Cardozo's decisions in the chapter on the Workmen's Compensation Act found no principle of order. A good lawyer, familiar with the bent of Cardozo's mind but not with this branch of law, found it possible to guess his decisions in all but one doubtful case.

Cardozo was the sole dissenter in the oil case, but his liberal reading of constitutional provisions since his appointment to the Supreme Court still cannot go beyond a certain point in respect to basic issues of national regulation of interstate commerce, delegation of legislative authority, and due process. Drawn up short in the third Negro disfranchisement case from Texas, which finally succeeded in its perverse objective, and forced to concur in the Schechter case, he shows clearly in these decisions, made since the publication of Mr. Pollard's book, what constitutional limitations are, even to the most benevolent and discerning interpreter. They serve to point clearly the lesson either of patient respect for forms of government or drastic change in our federal system. A law restricting the power of the court to declare acts unconstitutional would not be enough.

Not only as one of the small company of outstanding American judges listed by Pound in his Foreword but also as avowed philosophic jurist, Cardozo takes his place as successor to Holmes. His thought is more eclectic, less strictly philosophic, and less strikingly individual. But his liberalism is more sympathetic to reform, more like that of Brandeis though less economically informed, rather than simply the wide Holmesian tolerance of experiment. His style, still to be hailed by literary anthologists, is more sinuous and baroque, less incisive but equally eloquent, and marks as memorably the imprint of a man upon the law which he has helped to create.

The book is still to be written which would yield a psychograph of the man together with a critical analysis of his philosophy as found in his addresses and juristic writings as well as in his decisions. The connection between his Jewish heritage, his respect for the dignity of man, and his sympathy for the oppressed, between his bachelordom and his concern for family solidarity, his gentleness of nature and his judicial strength, his philosophic outlook and his specific decisions, awaits illumination at the hands of the biographer who should rise to such competence.

BERYL HAROLD LEVY

Shorter Notices

Fuel. By Wilfrid Gibson. The Macmillan Company. $1.75.

Wilfrid Gibson, in 1915, was a fairly important minor Georgian. Following the lead of Masefield and Kipling, he was one of those who helped banish from poetry the *fin de siècle* machinery of troubadours and lilies and sighing damsels. Today, after twenty years, Gibson is unchanged. There is still in his poems the conscious effort to impregnate the common raw materials of life with poetic significance; and there is still the passionate romantic thrust, the preoccupation with the immediate emotion, that characterized all the Georgians. On the whole, "Fuel" has all the virtues and all the faults of the better grade of Georgian verse. Mr. Gibson has managed to temper a little the faintly adolescent enthusiasms that marred the poetry of the younger Georgians; but if he gains thereby in balance and moderation, he suffers a proportionate loss in brute poetic drive. We are not much impressed today by the admittance of skyscrapers and coal mines into poetry—both have become poetic staples—and it is unfortunately just this marriage of poetry to the tangibles of modern life that is Mr. Gibson's chief stock-in-trade. These poems may be fully as good as his earlier volumes, as I think they are. But it is impossible that they should have upon the mind of 1935 the same startling impact the earlier poems had upon the mind of 1915. Written by a younger man, these poems would be simply anachronistic. Coming from Wilfrid Gibson, they are still somewhat irrelevant to our own day; but they form an honorable and not unimportant addition to the corpus of pre-war verse.

Spangled Banner. The Story of Francis Scott Key. By Victor Weybright. Farrar and Rinehart. $2.50.

Mr. Weybright appears to have told everything that is worth knowing about the author of our national anthem except how Key's name should be pronounced. Thanks to his industrious researches, Key appears as a man of considerably more importance than has generally been thought. He was born (prematurely and out of doors, according to local tradition) into the best planter society of Maryland, won distinction as a lawyer, helped to organize the American Colonization Society and was one of its vice-presidents, enjoyed the intimate friendship of Roger B. Taney and John Randolph, served for some years as district attorney for the District of Columbia, and successfully adjusted the controversy between the United States and Alabama over the lands of the Creek Indians. All this, however, has been forgotten, and he is remembered only as the prisoner of war who composed "The Star-Spangled Banner" while the British fleet was bombarding Fort McHenry in the War of 1812. Mr. Weybright gives a lively account of the episode and assembles a good deal of information about the history of the song. It was "perhaps unfortunate," he thinks, that the words and music were made by law the national anthem, in 1931, since they were "already practically recognized as such" by that time and "scarcely needed Congressional sanction." The New York *World,* after remarking that the tune is "quite unsingable, except by professionals, and probably there is nothing to do about it," saw "virtue" in the fact "that it does require a wide compass, so that school children cannot sing it, and that it is in three-four time, so that parades cannot march to it." The poem, of course, is not bad as such productions go, but it would be interesting to know how many patriots could recite any but its first and last stanzas.

On Economic Planning. Edited by Mary L. Fledderus and Mary van Kleeck. Covici-Friede. $3.

This is distinctly not just another book on planning. The conference of the International Industrial Relations Institute at which the papers contained in this book were presented had as its objective planning which "can end unemployment, establish security, and raise standards of living." By definition this excluded the great bulk of the so-called planning that has been in evidence during the depression—restrictive, piecemeal controls which have been established for the sole purpose of restoring profits. The importance of this distinction is amplified in the introductory chapter by Dr. Alfons Goldschmidt, director of the newly formed Social Economic Laboratory, who argues that fascist or Nazi "planning" is a contradiction of all of the principles of social economic planning and is in reality but an ill-concealed attack on working-class living standards. Valerian V. Ossinsky, vice-chairman of the Soviet State Planning Commission, contributes a detailed and comprehensive study of the principles and results of Soviet planning; these are admittedly far more in harmony with those which the conference was seeking for the United States. Miss van Kleeck closes with a concrete, realistic discussion of the objectives and problems of economic planning in the United States. The book is not a blueprint of a new social order, but it presents a challenge to thoughtful men to begin preparations for such a chart.

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